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FBIS-EAS-93-066 CONTENTS 08 April 1993

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

NORTHEAST ASIA

Japan

Official Expresses 'Grave Concern' Over Yen *[KYODO]* 1
Muto: U.S. Summit Should Discuss Environment *[KYODO]* 1
Miyazawa Stresses Importance of Sino-U.S. Ties *[KYODO]* 1
Miyazawa, Wong Agree on U.S. Military Presence *[KYODO]* 1
Singapore's Wong Rules Out Asian 'CSCE' *[KYODO]* 2
Muto Favors Suharto Invitation to G-7 Talks *[KYODO]* 2
Pledge of Russian Aid Signals Policy 'Shift' *[KYODO]* 3
Tokyo Requests Russian Nuclear Problems Study *[KYODO]* 3
Tokyo Issues Statement on UN Monitor's Death *[Tokyo TV]* 4
  Miyazawa: No Effect on Peacekeeping *[KYODO]* 4
  Opposition Parties Split on Issue *[KYODO]* 5
Tokyo Considers Talks on Khmer Rouge, Cambodia *[KYODO]* 5
Tokyo Decides on Trade Surplus Recycling Plan *[KYODO]* 6
Chamber of Commerce Defends 'Keiretsu' in Report *[KYODO]* 6
Gotoda Accepts Deputy Prime Minister Position *[KYODO]* 7
  Says Reform Task 'Cannot Wait' *[Tokyo TV]* 7
SDP, Komeito Submit Political Reform Package *[KYODO]* 8
Contractors Refuse To Detail Kanemaru Donations *[KYODO]* 8
Chukaku-ha Claims Responsibility for Attacks *[KYODO]* 9
Stimulus Package Features Infrastructure Plan *[KYODO]* 9
LDP, Opposition Agrees on Tax Cut Framework *[KYODO]* 10
Tokyo Predicts 'Bright Signs' Ahead for Economy *[KYODO]* 10

North Korea

Reaction to Nuclear Treaty Withdrawal Continues 10
  Minister Denounces IAEA Resolution *[KCNA]* 10
  'Neighbouring Countries' Warned on U.S. Ties *[KCNA]* 12
  Zanzibar President Supports Withdrawal *[KCNA]* 13
5th Session of 9th SPA Continues in Pyongyang 13
  Finance Minister Details Budget *[Pyongyang Radio]* 13
  Vice Premier Approves State Budget *[Pyongyang Radio]* 21
  KCNA Reports 8 Apr SPA Session 24
  Underground Resources Law Summarized *[KCNA]* 24
  Kim Il-song Promulgates Notice on Law *[KCNA]* 25
KCNA Reports U.S. Air Exercises Over South 25
Council Urges Probe of South's 5th, 6th Republics *[KCNA]* 25
Bangladesh Parties' Delegation Visits Pyongyang 26
  Joint Group Holds Talks 6 Apr *[KCNA]* 26
  Attends WPK Reception *[KCNA]* 26
  Received by Kim Il-song *[KCNA]* 26
  Presents Gifts to Kim Il-song *[KCNA]* 26
PRC Volunteers Help Build Korean War Monument *[KCNA]* 27
Japanese Diet Members Question Ulsa Treaty *[KCNA]* 27
Kim Il-song Receives Iranian President Message *[Pyongyang Radio]* 27
Kim Chong-il Receives Letters From East Europe Symposium *[KCNA]* 27

WPK, Visiting Lao Delegation Hold Talks 6 Apr *[KCNA]* 28
Yi Chong-ok Returns From South Asian Visit *[KCNA]* 28
Kim Yong-sun Returns From Syria-Denmark-Italy Trip *[Pyongyang Radio]* 28
Yi In-mo Receives Hero of DPRK Award at Ceremony *[KCNA]* 28
People's Study House Built in Pyongsong *[KCNA]* 29
Kim Il-song Guides Economic Works 6 Apr *[Pyongyang Radio]* 29
Daily Urges Increased Grain Production *[Pyongyang Radio]* 30
Daily Urges ROK Workers To Struggle for Wages *[Pyongyang Radio]* 32
Daily Stresses Importance of Functionaries *[Pyongyang Radio]* 33
KCNA Reviews 8 April Pyongyang Press 34
Correction to Foreign Ministry Denounces IAEA 35

South Korea

Reaction to DPRK's NPT Withdrawal Continues 35
    ROK To Offer Incentives for Return *[YONHAP]* 35
    Seoul May Support UN Sanctions *[YONHAP]* 35
Kim Chong-il Said Absent From DPRK's SPA Opening *[YONHAP]* 35
LE MONDE Interviews Kim Yong-sam on DPRK Ties *[Paris LE MONDE 7 Apr]* 36
Deputy Premier Discusses Reunification Efforts *[CHOSON ILBO 5 Apr]* 38
President Kim Meets Former U.S. President Nixon *[YONHAP]* 38
Foreign Minister Han Meets UK's Hurd *[YONHAP]* 38
Foreign Ministry Seeks Halt to Russian Nuclear Dumping *[YONHAP]* 39
Russia To Exhibit Space Station Mock-up at Taejon Expo *[YONHAP]* 39
Army Readies Engineering Unit Deployment to Somalia *[YONHAP]* 39
Finland Signs Investment Guarantee Pact in Helsinki *[YONHAP]* 40
Government Reshuffles Army Commanders *[YONHAP]* 40
DLP Adopts Single Leadership System *[THE KOREA HERALD 7 Apr]* 40
Taegu, North Kyongsang Factions Loses Power in DLP *[THE KOREA HERALD 4 Apr]* 40
Lawmakers Suspected of Real Estate Speculation *[YONHAP]* 41
Deputy Prime Minister Discusses Economic Plan *[HANGUK ILBO 26 Mar]* 42
Seoul To Probe Conglomerates' Trade Practices *[THE KOREA TIMES 7 Apr]* 44
Bank Executives' Accounts Probe Stirs Controversy *[THE KOREA TIMES 7 Apr]* 44

SOUTHEAST ASIA

Burma

Constitution Convention Adjourns Until 7 June *[Rangoon Radio]* 46
Rangoon Denies BBC Report of Delegates' Arrest *[Rangoon Radio]* 47
NCGUB Seeks Return of Minister's Body From PRC *[Bangkok BANGKOK POST 7 Apr]* 47
U.S. Civil Aviation Official Meets SLORC Member *[Rangoon Radio]* 48

Brunei, Malaysia & Singapore

Malaysia

Minister Proposes Intellectual Property Institute *[Kuala Lumpur Radio]* 48
Copyright, Trademark Legislation To 'Safeguard' Industry *[NEW STRAITS TIMES 6 Apr]* 48
Kelantan Chief Minister Opposes 'Anti-Federal' Move *[NEW STRAITS TIMES 6 Apr]* 49
Central Bank Notes Revenue Increases for 5th Year *[NEW STRAITS TIMES 31 Mar]* 49
    Palm Oil, Timber Output Expands *[NEW STRAITS TIMES 31 Mar]* 50
Editorial Accuses Banks of Greed, Neglecting Consumers *[NEW STRAITS TIMES 6 Apr]* 51
UK Minister Stresses Commitment to Free Market *[Kuala Lumpur Radio]* 51

Singapore

Indonesian Air Force Staff Chief Arrives *[Singapore Radio]* 51
Group Plans To Develop PRC Industrial Park *[BUSINESS TIMES 3 Apr]* 52

Cambodia

Gunmen Kill Japanese UN Electoral Officer *[AFP]* 52
  Japanese Foreign Minister Comments *[KYODO]* 53
  Tokyo TV Details Attack 53
  Khmer Rouge Suspected *[AFP]* 53
  Khmer Rouge Deny Responsibility *[AFP]* 54
UNTAC Chief: Khmer Rouge May Try To Block Election *[KYODO]* 54
Butrus-Ghali Urges Participation in May Polls *[AFP]* 55
  Leaves Phnom Penh 8 Apr *[Phnom Penh Radio]* 55
Sihanouk Promises To Remain President After Polls *[AFP]* 55
Journal Views Election Scenarios, Coup Fears *[BUSINESS TIMES 7 Apr]* 56
Khmer Rouge Affirm Opposition to Bank Loan *[Radio VGNUFC]* 56
Government Soldiers Mutiny in Stoung District *[Radio VGNUFC]* 57
Hun Sen Urges Khmer Rouge Expulsion From SNC *[Phnom Penh Radio]* 57

Indonesia

Commentary Views Trade Problems With U.S. *[Jakarta Radio]* 58
UN Envoy Departs; 'Satisfied' With Visit *[Jakarta Radio]* 59

Laos

Vientiane Party Organization Convenes Congress *[Vientiane Radio]* 59
Minister Issues Announcement on Labor Management *[Vientiane Radio]* 60
Thai Investment, Trade Statistics Cited *[Bangkok Radio]* 61

Thailand

Chuan Vows 'Earnest Actions' on Videotapes Issue *[Bangkok Radio]* 61
Cabinet Takes 'Tough' Action on IPR Infringement *[BANGKOK POST 8 Apr]* 61
Local, U.S. Firms Explore Joint PRC Venture *[AFP]* 62
Reportage on Indian Premier's Visit 62
  Chuan, Rao Discuss Cooperation *[Delhi Radio]* 62
  Rao Advocates Cooperation Program *[BANGKOK POST 8 Apr]* 63
  Decries Aid, Rights Linkage *[Delhi Radio]* 63
  Encourages Trade, Investment *[Delhi Radio]* 64
Government Plans To Invite More Japanese Investment *[THE NATION 7 Apr]* 64
Paper Opposes May Cambodian Elections *[SIAM RAT 8 Apr]* 64
Editorial Views Bangkok Human Rights Declaration *[THE NATION 4 Apr]* 65
BOT Governor Sees Economic Resurgence *[BANGKOK POST 7 Apr]* 66

Vietnam

U.S. MIA Specialists Attend Joint Session *[VNA]* 69
UN General Secretary To Visit 'Shortly' *[VNA]* 69
Relief Groups Nearly 'Overwhelmed' by Refugees *[AFP]* 69
  'Extremely Sensitive' Issue *[AFP]* 69
Phone System, Microwave Link Become Operational *[Hanoi Radio]* 70
Thailand, Hong Kong Announce Phone Cable System *[VNA]* 70
Singapore Signs Telecommunications Accord *[Hanoi International]* 71

AUSTRALASIA

Australia

Foreign Minister Comments on Cambodian Violence *[Melbourne International]* 72
Unemployment Rate Falls Slightly in March *[Melbourne International]* 72
Evans Optimistic About Future of GATT Round *[Melbourne International]* 72

Canberra Concerned Over PNG Border Raids *[Melbourne International]* ... 72

Fiji

1987 Coup Planners Criticize Premier Rabuka *[AFP]* ... 73

Solomon Islands

Government Accuses PNG of Threatening Sovereignty *[Melbourne International]* ... 73
  International Help Requested *[Melbourne International]* ... 73

Japan

Official Expresses 'Grave Concern' Over Yen

OW0804140193 Tokyo KYODO in English 1348 GMT 8 Apr 93

[Text] Tokyo, April 8 KYODO—A Bank of Japan [BOJ] source expressed grave concern about the yen's advance against the dollar in foreign exchange markets Thursday and suggested that the central bank is ready to step into the markets.

"The yen has gained more than 12 yen against the dollar over the past two months. This is rather a lot," the source said. "Considering the effects on the domestic economy, the yen's exchange rate must be stabilized now," he said.

The central bank is watching exchange rates "closely at all times," the source said, signaling that it is ready to sell the yen for dollars to stem the yen's upswing. The dollar hit a new low against the yen in London early Thursday, falling below 113 yen for the first time.

Muto: U.S. Summit Should Discuss Environment

OW0804084793 Tokyo KYODO in English 0840 GMT 8 Apr 93

[Text] Tokyo, April 8 KYODO—Newly appointed Foreign Minister Kabun Muto said Thursday he wants Prime Minister Kiichi Miyazawa and U.S. President Bill Clinton to discuss environmental issues at their summit meeting in Washington on April 16. Muto noted during a news conference that U.S. Vice President Al Gore is pursuing environmental issues.

He said it would be useful for Miyazawa and Clinton to discuss steps the two countries can take together to address such problems as overpopulation and environmental damage. Muto, who was named foreign minister on Wednesday, said he will not accompany Miyazawa to Washington on April 15. He cited a busy diplomatic schedule in Tokyo.

Miyazawa Stresses Importance of Sino-U.S. Ties

OW0804060693 Tokyo KYODO in English 0545 GMT 8 Apr 93

[Text] Tokyo, April 8 KYODO—Prime Minister Kiichi Miyazawa will urge U.S. President Bill Clinton to "increase mutual understanding" with China when he travels to Washington next week, a Foreign Ministry official said Thursday. "Stable Sino-American relations are important, and for that purpose, it is important to deepen mutual understanding," Miyazawa was quoted as telling Sun Pinghua, president of the China-Japan Friendship Association, on Thursday.

The ministry official said that while Japan and the United States sometimes take different approaches to China on issues such as human rights, they share the same policy goals.

Some Japanese leaders have expressed concern that different stands on China could exacerbate Japan-U.S. relations at a time when tensions are high over the trade imbalance.

In a half-hour meeting at the prime minister's official residence, Sun told Miyazawa that the U.S. and Hong Kong would also benefit if the U.S. Government decides to continue offering China most-favored-nation trading status, the official said. The U.S. is expected to make a decision in June on whether to extend the favorable trading conditions for another year, and whether to attach conditions.

Clinton is still formulating policies toward Beijing and is likely to take interest in Japan's views on China during his first summit with Miyazawa slated for April 16, the official said. The U.S. President has said he is unhappy with China's performance on human rights. The U.S. is also displeased with China's trade surplus and its alleged weapons transfers to countries Washington fears pose a threat to international peace.

Miyazawa told Sun that he is optimistic about the future of the Chinese economy and pledged continued support for China's reform policies, the official said. "China will be a very influential nation in the 21st century, and for that reason we want to develop relations that will support world peace," Miyazawa was quoted as saying. He also urged China to be more responsive to U.S. concerns, the official said.

Miyazawa, Wong Agree on U.S. Military Presence

OW0804070793 Tokyo KYODO in English 0634 GMT 8 Apr 93

[Text] Tokyo, April 8 KYODO—Prime Minister Kiichi Miyazawa told Singapore Foreign Minister Wong Kan Sen on Thursday that he intends to ask U.S. President Bill Clinton to take a deeper interest in Southeast Asia at a summit meeting next week.

Miyazawa and Wong also agreed on the importance of a continued American military presence to regional stability, a Foreign Ministry official said.

Miyazawa told Wong that Singapore is in a better position to take the lead in urging Southeast Asian nations to support the U.S. military, the official said.

On his first summit meeting with the new U.S. President slated for April 16, Miyazawa said, "I plan to tell President Clinton that America should deepen its knowledge about Southeast Asia." Miyazawa noted that the United States is to host the Asia-Pacific Economic Cooperation (APEC) forum's fifth ministerial meeting in November, the official said.

Wong expressed hope that the North American Free Trade Agreement (NAFTA) would be implemented in such a way that it will spur economic development of the Asia-Pacific region, the official said. Some Asian nations are concerned that the agreement could lead to reduced North American investment and trade in the region.

On reconstruction of Indochina, Miyazawa said that Japan intends to spearhead economic assistance, but that contributions from Singapore and other nearby countries also would be meaningful, the official said. Japan plans to hold an international meeting this fall to map out a comprehensive development strategy for Indochina.

Wong is here through Saturday on a four-day visit at the invitation of the Foreign Ministry in advance of a May visit here by Singapore Prime Minister Goh Chok Tong.

Wong in July will host this year's Association of Southeast Asian Nations (ASEAN) foreign ministers meeting as well as a ministerial meeting with ASEAN's seven "dialogue partners," which includes Japan and the U.S.

ASEAN comprises Brunei, Indonesia, Malaysia, Singapore, the Philippines and Thailand.

In talks with new Foreign Minister Kabun Muto, Wong reportedly expressed reservation about Singapore's removal last year from the Development Assistance Committee (DAC) list of aid-eligible countries. Officials said he was concerned about Singapore being considered an advanced country merely on the basis on its per capita gross national product (GNP).

Wong said Singapore plans to engage in "South-South" cooperation, rendering assistance to developing countries. Muto welcomed the idea and said Japan will do what it can to facilitate Singapore's efforts.

He noted that Goh's visit to Tokyo in late May will be significant in that Japan and the ASEAN host country will have an opportunity for top level dialogue ahead of the July 7 to 9 summit in Tokyo of the leaders of the Group of Seven (G-7). The G-7 comprises Britain, Canada, France, Germany, Italy, Japan, and the United States.

Asked by Muto what issues ASEAN wants the summit to tackle, the officials said that Wong cited revitalization of the world economy and an early and successful conclusion of the current Uruguay Round of global trade negotiations.

Singapore's Wong Rules Out Asian 'CSCE'

OW0804114593 Tokyo KYODO in English 1129 GMT 8 Apr 93

[Text] Tokyo, April 8 KYODO—Singapore Foreign Minister Wong Kan Seng said Thursday multilateral security talks are necessary, but brushed aside suggestions an Asian version of the Conference of Security and Cooperation in Europe (CSCE) be set up at present. "We encourage multilateral security dialogues," Wong said in an interview with KYODO News Service, but he is not sure whether that would quickly evolve into an arrangement like the CSCE.

History, culture and tradition in Asia is "quite different from that of Europe," he said. "But we all recognize, all of us in the region, the need to anticipate the changes that will come about as a result of the declining or withdrawal of American forces in the region," Wong said.

Wong, who arrived in Japan on Wednesday for talks with Prime Minister Kiichi Miyazawa and newly appointed Foreign Minister Kabun Muto, said security will be discussed for the first time by senior officials of the Association of Southeast Asian Nations (ASEAN) prior to the post-ministerial conference.

The conference comprises six ASEAN foreign ministers and their counterparts from Japan, South Korea, the United States, Canada, Australia, New Zealand and the European Community. ASEAN groups Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

Wong said it is also necessary to find a way to involve nations such as China, Russia, Vietnam and Laos into discussing Asian security, because the subject is of "great interest to all the countries in the region."

By discussing security issues, "it does not mean that we are abandoning the existing structures and mechanisms," which have served the region well, he said. He said, however, it will take time to come up with a specific mechanism or arrangement in the region, saying it is a "confidence-building" process.

Wong said security should not be viewed simply in terms of defense, but also in the economic development of a country, and Japan has a crucial role to play because of its significant resources and investment in all Asian countries.

On the future membership in ASEAN of Vietnam, he said it is necessary to "ensure that economic development is more or less comparable to the existing ASEAN economies, otherwise the disparity will be very clear." But Wong said, "in the time to come, all countries in Southeast Asia will become members."

He said Japan can represent Asia at the Group of Seven economic powers' summit in July by seeking resolution of problems that hinder economic growth and free trade.

Muto Favors Suharto Invitation to G-7 Talks

OW0804113793 Tokyo KYODO in English 1112 GMT 8 Apr 93

[Text] Tokyo, April 8 KYODO—Foreign Minister Kabun Muto said Thursday he favors inviting Indonesian President Suharto to Tokyo in early July to address the leaders of the Group of Seven (G-7) major industrial nations. But the foreign minister, who formally assumed his position Wednesday, said opposition by other G-7 countries dampens the prospect of inviting Suharto.

"I personally consider it desirable Suharto be allowed to participate as a representative of the countries in the Non-Aligned Movement," Muto said in an interview with KYODO News Service. He said arrangements should be made to allow Suharto to address the G-7 countries in a special session after they conclude their regular talks, just as was done for Russian President Boris Yeltsin at last July's summit in Munich. Yeltsin has also been invited to a session in Tokyo with the leaders of Britain, Canada, France, Germany, Italy, Japan and the United States.

"From what I hear, the leaders of some G-7 countries are very negative on the idea," Muto said. "As a result, it seems there will be complications in realizing (Suharto's invitation)."

On Wednesday, Prime Minister Kiichi Miyazawa and British Foreign Secretary Douglas Hurd agreed to continue dialogue among the G-7 countries on how to accommodate Suharto's call to discuss the problems of developing nations, Japanese officials said. The officials said Miyazawa and Hurd specifically agreed to consider how to "secure a means of communication" between the industrialized countries of the northern hemisphere and the developing nations of the south without setting up any new mechanism. Indonesia assumed chairmanship of the 108-nation Non-Aligned Movement last September.

Political sources said Japan sent Deputy Foreign Minister Koichiro Matsuura last weekend to Jakarta for secret talks. Matsuura reportedly proposed Suharto consider alternatives, like meeting Miyazawa immediately before the G-7 summit. Japan could then convey Suharto's views at the summit. But the Indonesian leader declined the offer and reaffirmed his determination to visit Tokyo for direct talks with G-7 leaders, the sources said.

Matsuura was quoted as explaining to Suharto that in any case Japan will make every effort to communicate the opinions of developing nations.

Pledge of Russian Aid Signals Policy 'Shift'

OW0804121593 Tokyo KYODO in English 1200 GMT 8 Apr 93

[Text] Tokyo, April 8 KYODO—Japan will pledge an additional 1.1 billion dollars in aid to Russia next week when Group of Seven (G-7) foreign and finance ministers meet in Tokyo to discuss how to help the former Soviet Union, a government source said Thursday. The fresh aid package will bring Japan's aid to be provided to Russia to nearly 3 billion dollars, making Tokyo one of the major aid contributors to Russia, the source said.

The figure signals a shift in Japanese policy. Tokyo had dragged its heels on extending large-scale financial support pending the resolution of a long-standing territorial dispute over four Russian-held islands off Hokkaido, that were seized by Soviet troops at the end of World War II.

The new aid package will feature an additional loan by the export-import bank of Japan and about 1 billion dollars more in trade insurance, the source said. The expansion of trade insurance is designed to cover exports of equipment for Russia's beleaguered energy sector, a priority area in multilateral assistance to the former communist giant, the source said.

The Ex-Im Bank [Export-Import Bank of Japan] loan is intended to help promote small- and medium-sized businesses in Russia and could be provided in conjunction with the European Bank for Reconstruction and Development, the source said.

Japan so far has pledged about 2.8 billion dollars in aid, of which some 1.9 billion dollars has yet to be disbursed because of confusion over which Russian agency or entity is entitled to the assistance in the wake of the 1991 breakup of the Soviet Union.

Tokyo Requests Russian Nuclear Problems Study

OW0804121193 Tokyo KYODO in English 1149 GMT 8 Apr 93

[Text] Tokyo, April 8 KYODO—Japan has asked Russia to allow joint investigations into the former communist nation's dumping of nuclear waste in the sea near Japan as well as the explosion of a Siberian radioactive waste tank, a high ranking official said Thursday. Yuji Tanahashi, vice minister for international trade and industry, told reporters that Japan will officially discuss the issue with Russian representatives who will attend a Group of Seven (G-7) ministerial meeting in Tokyo scheduled for April 14-15.

The Trade Ministry set up an internal liaison panel on Russian nuclear power problems to collect necessary information, ministry officials said.

Tanahashi said "It is extremely regrettable that Russia has unilaterally declared its intention to continue abandoning (nuclear waste) in the sea. We will urge Russia to halt this immediately at the G-7 meeting of foreign and finance ministers," he said.

The investigation will cover all sea areas where the Russian action of dumping waste could affect Japan, the officials said. "It is possible we may investigate Russian territorial waters," Tanahashi added.

According to reports from Moscow, Russia dumped radioactive waste in such areas as the Sea of Japan, the Sea of Okhotsk and in an area southeast of Kamchatka.

The effects and conditions of the explosion Tuesday at a secret nuclear weapons complex in Tomsk-7 are far from known, so the ministry will hurry to collect information, they said.

Tokyo Issues Statement on UN Monitor's Death

OW0804093893 Tokyo NHK General Television Network in Japanese 0703 GMT 8 Apr 93

["Government statement" on the 8 April slaying of a Japanese UN election monitor in Cambodia read by Chief Cabinet Secretary Yohei Kono; from the "NHK News" program—live]

[Text] At this news conference, I have to inform you of a very sad incident. A Japanese man killed in Cambodia was a United Nations volunteer. I consider grass-roots contributions by young UNV's, or United Nations volunteers, to efforts to reconstruct Cambodia as being very valuable. Here, I pray for the repose of the soul of Mr. Atsuhito Nakata. At this moment, no more information is available on the incident other than that contained in the announcement made by the UN Transitional Authority in Cambodia [UNTAC], which said that he was attacked by unidentified gunmen.

Upon hearing the sad news, the Japanese Government would like to strongly request all factions in Cambodia to restrain themselves. Here are the known facts. According to information the government obtained from UNTAC on the morning of 8 April, Mr. Atsuhito Nakata, 25, a UN volunteer, and a Cambodian interpreter came under fire while riding in a vehicle, and, in turn, Mr. Nakata was killed. Investigations are being conducted by UNTAC to unearth all the facts. This is the first time that a Japanese participating as a volunteer in UNTAC activities has been killed. The Japanese Government offers its condolences to Mr. Nakata's family.

The Japanese Embassy in Cambodia immediately sent officials to the site of the incident to conduct a joint investigation with UNTAC special inspectors. I repeat, it is regrettable that such a tragic incident occurred. The Japanese Government severely criticizes all violent acts that disturb a free political environment needed for the upcoming general elections. In particular, we feel strong anger at attacks against UN volunteers who are devoting themselves to achieving lasting peace in Cambodia.

The Japanese Government demands a swift investigation into the incident. Also, we strongly demand that all parties concerned take definite actions to prevent a recurrence of this kind of tragedy.

Now that the international community is expected to offer further support and cooperation in an effort to conduct successful elections in Cambodia, we are requesting that UNTAC implement rigid measures for securing the safety of its personnel. We will demand that UNTAC strengthen measures to secure the safety of election monitors. Currently, Japan has no plans to stop preparations for dispatching its personnel.

Meanwhile, UN Secretary General Butrus Butrus-Ghali, now visiting Phnom Penh, conveyed to Japanese Ambassador to Cambodia Imagawa his regret over the incident at 1245 local time, or 1445 Japan Standard Time. The secretary general's message is as follows:

I would like to express my deep regret over the tragic death of Mr. Nakata, a valued member of the UNV from Japan. Also, I cannot help but feel indignation over such a vicious incident. Mr. Nakata was a very capable and excellent young man. I wish to offer my condolences to his bereaved family, as well as to the Japanese Government, the prime minister, and the foreign minister.

This was the message from UN Secretary General Butrus Butrus-Ghali, and this is also where the government statement ends.

Miyazawa: No Effect on Peacekeeping

OW0804111693 Tokyo KYODO in English 1058 GMT 8 Apr 93

[Text] Tokyo, April 8 KYODO—As Japan mourned the killing of one of its citizens in Cambodia on Thursday, Prime Minister Kiichi Miyazawa said it will not affect Tokyo's peacekeeping role there. Miyazawa called the death of Atsuhito Nakata "unpardonable," but said Japan's involvement in the operations in Cambodia will continue. He said he felt both grief and resentment at the murder.

Chief Cabinet Secretary Yohei Kono expressed deep condolences to the family of Nakata, who was in Cambodia as a U.N. volunteer to monitor elections scheduled for next month. The attack coincided with the arrival in Cambodia of a new contingent of Japanese Self-Defense Forces (SDF) peacekeepers to replace a 600-member engineering corps dispatched last fall.

"The Japanese Government strongly condemns all violence aimed at disturbing the environment for neutral elections," Kono said in a prepared statement delivered soon after news of the slaying of the 25-year-old U.N. volunteer reached Japan.

"We are particularly outraged at attacks against U.N. volunteers who have dedicated themselves to securing a lasting peace in Cambodia," Kono told a news conference televised live nationwide.

Newly appointed Foreign Minister Kabun Muto told reporters that the Khmer Rouge faction was most likely responsible for the incident. But Muto later modified his stand, saying that the perpetrator is not known and that Japan regrets the death of peacekeepers of any nationality, not only Japanese.

Meanwhile, Defense Agency chief Toshio Nakayama suggested that Japan might interrupt its involvement in the operations. Nakayama said, "if it is an isolated incident, we can ensure security (of SDF personnel). But we have to consider other measures if (the perpetrators) launch all-out attacks."

Asked if the incident would make it more politically difficult for the government to press ahead with involvement in U.N. peacekeeping operations, Foreign Minister Muto said, "This (incident) is an issue that is not directly related" to the debate.

Kono, noting that Nakata is the first Japanese to die in peacekeeping activities in Cambodia, expressed deep sympathy for his bereaved family and said the government will consider offering a financial expression of condolence. Kono also called on the United Nations Transitional Authority in Cambodia (UNTAC) to boost security measures for U.N. personnel. But he said Japan will not push for a delay in holding elections, slated for May, in light of a spate of attacks against U.N. personnel.

Nakata was the sixth peacekeeper and the first volunteer to die in a series of attacks targeted at U.N. personnel in the past fortnight. He had been working as a district electoral supervisor.

Kono said UNTAC is investigating the identity and motive of the gunman who opened fire on a U.N. vehicle Thursday morning as Nakata and a Cambodian interpreter were traveling through the central province of Kompong Thom. The interpreter who suffered serious injuries, died hours later at a German military hospital, reports from Phnom Penh said.

"We strongly call on all warring parties to exercise self control," Kono said.

The attack came as U.N. Secretary General Butrus Butrus-Ghali started a tour of Cambodia to launch U.N.-sponsored election campaigns.

The government has been nervous about public reaction to the U.N. operations in Cambodia, which marks the first overseas dispatch of SDF personnel since World War II. But Kono said Thursday he believes that public support for peacekeeping efforts was based on an understanding that such incidents may occur. The top government spokesman denied that Japanese personnel are easy targets because of the sensitivities at home. The slaying follows those of Bulgarian and Bangladeshi peacekeepers.

Kono said Japan will continue preparations to dispatch election monitors for the may 23 to 28 polls, and pointed to the need to ensure that elections can take place in a fair and neutral manner.

In Cambodia, a Khmer Rouge spokesman on Wednesday criticized the beginning of the campaign, saying that Cambodia is still occupied by Vietnam and the political situation is not neutral. The Khmer Rouge, the only faction to refuse to disarm and demobilize its forces, has vowed to boycott the election. It has been blamed for the violence against U.N. peacekeepers.

Kono declined to say what conditions would cause Japan to judge the 1991 Paris peace accords have broken down, a situation that would require it to withdraw from Cambodia.

In addition to its operations in Cambodia, Japan is slated to dispatch a 50-member SDF peacekeeping contingency to Mozambique to assist with transportation logistics.

Opposition Parties Split on Issue

OW0804124793 Tokyo KYODO in English 1233 GMT 8 Apr 93

[Text] Tokyo, April 8 KYODO—Opposition parties were split Thursday over whether Japanese peacekeepers should remain in Cambodia in the wake of the death of a Japanese volunteer on a United Nations mission there. Atsuhito Nakata, 25, from Osaka, was shot dead by an unidentified gunman in Cambodia on Thursday, the first Japanese to be killed in the peacekeeping mission.

Hirotake Akamatsu, secretary general of the No. 1 opposition Social Democratic Party (SDP), urged the government to pull out Japanese troops from Cambodia as the key conditions for their participation in U.N. efforts are not being met. "The way I see the recent attacks by Khmer Rouge guerrillas, the five conditions for Japan's participation are broken, and I think Self-Defense Forces (SDF) personnel should be withdrawn," Akamatsu told a news conference. These conditions include a cease-fire and assurances Japanese personnel will not be drawn into combat.

The Japanese Communist Party (JCP) and the United Social Democratic Party also said the SDF troops should be called home.

Kazuo Shii, chief of the JCP secretariat, said in a statement, "We demand that the government learn from this incident, accept the real situation in Cambodia, and fundamentally reconsider its position, including withdrawing the SDF."

Yuichi Ichikawa, secretary general of the No. 2 opposition party Komeito, said, "It is too simplistic if one comes to think as a result of this incident that U.N. peacekeeping efforts are dangerous or we should stop participating in them."

Takashi Yonezawa, secretary general of the Democratic Socialist Party, said Japan's policy over U.N. peacekeeping activities in Cambodia should remain unchanged. However, expressing concern about the moves by the Khmer Rouge guerrilla faction, Yonezawa said, "The government should take this opportunity to pay utmost heed to the security of Japanese personnel."

Tokyo Considers Talks on Khmer Rouge, Cambodia

OW0804150893 Tokyo KYODO in English 1449 GMT 8 Apr 93

[Text] Tokyo, April 8 KYODO—Japan plans to ask the United Nations to convene an early Security Council meeting to discuss the volatile situation in Cambodia, government sources said Thursday.

The government is also considering holding talks with countries concerned on possible measures to deal with the Khmer Rouge guerrilla group prior to the May 23-25 general election in Cambodia, the sources said. The plan emerged after Atsuhito Nakata, a 25-year-old U.N. volunteer, was shot dead by an unidentified armed group in Cambodia on Thursday, the first Japanese to be killed in a U.N. peacekeeping mission in Cambodia. To investigate the incident, the government plans to send an official of the Japanese Embassy in Cambodia to the central province of Kompong Thom, where Nakata was shot, the sources said.

It is also reportedly considering the dispatch, possibly this week, of a senior Foreign Ministry official to Phnom Penh to ask the U.N. Transitional Authority in Cambodia (UNTAC) to adopt stricter security measures for its peacekeepers and for its own probe into the killing.

The government intends to talk with China, Thailand and Indonesia—the countries that keep some channels with the Khmer Rouge—over a possible internationally concerted action to persuade the guerrilla group to comply with a peace accord signed in Paris in October 1991.

The attack that killed Nakata coincided with the arrival in Cambodia of a new contingent of Japanese Self-Defense Forces (SDF) peacekeepers to replace a 600-member body of engineering troops sent last September.

Chief Cabinet Secretary Yohei Kono, speaking at a news conference on Thursday, offered his condolences to Nakata's family. "The Japanese Government strongly condemns all violence aimed at disturbing the environment for neutral elections," Kono said.

"We are particularly outraged at attacks against U.N. volunteers who have dedicated themselves to securing a lasting peace in Cambodia," he said. The top government spokesman also called on UNTAC to boost security measures for U.N. personnel on the largest and costliest mission ever undertaken by the world body.

Kono said he does not think the incident has invalidated the key conditions for Japan's participation in U.N. peacekeeping efforts abroad and has no plan to change the future schedule of its peacekeeping activities in Cambodia. These conditions include a cease-fire and assurances that Japanese personnel will not be drawn into combat.

Japan sent its first U.N. peacekeeping troops to Cambodia last September after years of debate over whether this violates the war-renouncing post-World War II Constitution. The Constitution bans the use of force as a means of resolving international disputes.

Tokyo Decides on Trade Surplus Recycling Plan

OW0804074093 Tokyo KYODO in English 0710 GMT 8 Apr 93

[Text] Tokyo, April 8 KYODO—The government has decided to provide around 120 billion dollars in financial assistance to poor nations over the next five years as part of its effort to recycle Japan's widening trade surplus, sources said Thursday. The fund recycling scheme, expected to be unveiled when Prime Minister Kiichi Miyazawa meets U.S. President Bill Clinton later this month, replaces the previous five-year program which involved 65 billion dollars.

The latest plan, which starts this year, is comprised of 75 billion dollars in Official Development Assistance (ODA), about 35 billion yen dollars in untied loans by the Export-Import Bank of Japan, and 10 billion dollars in trade insurance for private-sector Japanese investments in developing nations. Untied loans can be used for a variety of purposes and are not limited or tied to any specific uses.

The planners of the scheme at the Foreign, Finance and Trade Ministries originally had agreed to exclude trade insurance from the plan. They decided to include it, however, believing that the insurance, which is untied, can contribute to filling the worldwide shortage of capital, the sources said.

Chamber of Commerce Defends 'Keiretsu' in Report

OW0804082793 Tokyo KYODO in English 0751 GMT 8 Apr 93

[Text] Tokyo, April 8 KYODO—The Tokyo Chamber of Commerce and Industry on Thursday defended Japan's "keiretsu" system of interlocking business groupings, arguing it is not anticompetitive and has many advantages. A chamber panel on industry said in a report the keiretsu practice is "rational" and should be accepted by the rest of the world.

Japan's keiretsu, characterized by strategic cross-shareholdings of corporate groups, has come under fire as being an invisible trade barrier because it excludes foreign companies. The United States attacked the practice in bilateral Structural Impediments Initiative talks concluded in June 1990 as one of the barriers blocking foreign access to the Japanese market.

The Tokyo Chamber's report, which particularly studied the keiretsu relationship between parts suppliers and assemblers, denies the system stifles competition, citing cases in which assembling companies place orders to multiple subcontractors. It also said joint development, often seen among the parties involved in keiretsu relationships, offers opportunities for them to obtain information on technologies and management from each other.

"Foreign companies are wrong to blindly criticize keiretsu. They need to grasp what it really is more thoroughly," said the panel, chaired by Katsushige Mita, chairman of Hitachi Ltd. But the report, the result of one year of study, admitted the system has some exclusive characteristics. Long-term transactions between specific keiretsu parties may exclude outsiders, it said, calling on companies to try to build new business partnerships with firms with which they do not have close ties.

Noting bigger companies tend to force subcontractors to cut prices or speed up delivery when the economy slumps, the panel also urged more assistance to smaller suppliers from the government and business community.

Gotoda Accepts Deputy Prime Minister Position

OW0804033593 Tokyo KYODO in English 0131 GMT 8 Apr 93

[Text] Tokyo, April 8 KYODO—Justice Minister Masaharu Gotoda will assume the post of deputy prime minister shortly succeeding ailing Michio Watanabe, government sources said Thursday. Prime Minister Kiichi Miyazawa has informally asked Gotoda to take the post and he accepted the offer, the sources said.

The post was vacated by Watanabe who also gave up his post as foreign minister Tuesday because of frail health.

Miyazawa hopes to consolidate his grip on power in the cabinet by giving greater authority to Gotoda, the sources said.

In naming Gotoda, Miyazawa will invoke Article 9 of Cabinet Law, which authorizes a premier to appoint a deputy premier endowed with the authority to take over the premier's official duties provisionally when a premier is seriously injured or ill, or when he is absent.

Chief cabinet Secretary Yohei Kono visited Liberal Democratic Party (LDP) Secretary General Seiroku Kajiyama and Executive Council Chairman Koko Sato on Wednesday to tell them of Miyazawa's intention to place Gotoda in the key post.

Gotoda, a former chief of the National Police Agency, once served as chief cabinet secretary in the administration of former Prime Minister Yasuhiro Nakasone. Since last year's cabinet reshuffle, Gotoda has been acting as the virtual deputy prime minister to make up for a power vacuum created by Watanabe's illness.

Gotoda defended the Constitution's Article 9 when it came under criticism from LDP hawks as a key deterrent to a proposal to give Japanese troops overseas the mandate to use firearms to carry out duties as U.N. peacekeepers. The article, which bans the use of force to resolve international disputes, has been referred to by politicians who oppose a proposal to give a combat role to Japanese peacekeepers deployed in hazardous regions.

When a controversy was raised over a proposal to send Japanese peacekeepers to Mozambique in March, Gotoda chided Foreign Ministry bureaucrats for preempting the prime minister's office in their bid to push the proposal.

Miyazawa hopes to demonstrate that he intends to meet public calls for greater curbs on shady donations to politicians by appointing Gotoda, a former chairman of the LDP's political reform headquarters, as his deputy, the sources said. Gotoda led the LDP task force in the administration of Prime Minister Toshiki Kaifu.

Says Reform Task 'Cannot Wait'

OW0804144093 Tokyo NHK General Television Network in Japanese 1000 GMT 8 Apr 93

[Interview with Deputy Prime Minister Masaharu Gotoda by NHK anchorman Yoshiaki Kawabata on 8 April; place not given; from the "NHK News" program—recorded]

[Text] [Kawabata, live in studio] Justice Minister Masaharu Gotoda today assumed the post of deputy prime minister. Mr. Gotoda has been a key figure in the political reform movement since the Kaifu cabinet. This evening, I asked Mr. Gotoda about political reform and illegal political donations.

[Begin recording] [Kawabata] You have been saying that political reform is an urgent task. Do you think reform bills will be enacted during the current Diet session?

[Gotoda] Well, it is not a question of whether it can be or cannot be done. It is a task that cannot wait, and the people are watching closely. We cannot discuss whether we can or cannot get it done. We must do it. Since political reform is certain to have a great impact on political parties and individual politicians, we have major obstacles to overcome. If we fail, however, the people will condemn us.

[Kawabata] You mentioned obstacles. One of them is the great difference between the plan for political reform adopted by the Liberal Democratic Party [LDP] and the plan put forward by the opposition parties.

[Gotoda] Yes, that is true. There is a discrepancy. Nevertheless, each party will present its plan to the Special Committee on Political Reform. Once the plans are there, the committee will recognize the common purpose of the plans, which is to restore public trust in politics. By attaining that common goal, we will be able to revitalize parliamentary politics. The ruling and opposition parties should promote constructive debate so that they will be able to respond to public calls. This is the initial goal. If we can speak to one another earnestly, then, even though each politician is tied to the policies of his or her party and to an individual position, we will all realize that it is high time that party interests are put aside in the interest of this great goal.

[Kawabata] Does that mean that the LDP is prepared to compromise?

[Gotoda] No party can speak of a compromise at this stage. Once the plans are on the table, however, then such a discussion can begin. The Diet is the venue for such this kind of discussion to take place.

[Kawabata] But I think political reform bills cannot become law unless the LDP and opposition make compromises.

[Gotoda] I believe that, through discussions, an atmosphere will be created in which every politician is committed to work on the enactment of such legislation. Politicians must bear in mind that the public will be watching these discussions very closely.

[Kawaguchi] If no political reform bill is enacted, I suppose the Miyazawa cabinet will have to take a blame, will it not?

[Gotoda] If this occurs, Mr. Miyazawa will naturally be criticized because he is head of the ruling party and controls the government. Nevertheless, Mr. Miyazawa's recent remarks and activities indicate that he has made an unprecedented commitment to carry out the task of political reform.

[Kawabata] Turning to the tax evasion charges against former LDP Vice President Shin Kanemaru, the authorities reportedly seized a large number of documents. Will these documents shed light on secret contributions from construction companies to politicians? Or will they expose some new scandal involving politicians?

[Gotoda] That is a difficult question. The justice minister is not in a position to comment on individual cases. As justice minister, I cannot comment on investigations. I do not think I should comment on this matter. You mentioned secret contributions. By that, I believe, you mean what are called expenditures for unexplained purposes. When a road is about to be built, residents may object. When a dam is to be built, a community that will be submerged may object. Various kinds of problems always crop up in the process of construction work. Payments to deal with such problems are inevitable. Although it is no more than my speculation, I presume part of such payments gets funneled to political parties as political contributions. Nevertheless, the person who received the contribution cannot always tell how it got to him. At any rate, I believe most politicians who received such payments used them as political contributions in principle. If politicians fail to do this, then there is a problem. I believe that they did so, however. [end recording]

SDP, Komeito Submit Political Reform Package

OW0804113593 Tokyo KYODO in English 0246 GMT 8 Apr 93

[Text] Tokyo, April 8 KYODO—The Social Democratic Party (SDP) and Komeito on Thursday submitted to the Diet six political reform bills that includes a proposal on introducing a new election system for the House of Representatives. The two leading opposition parties jointly submitted the package to House of Representatives Speaker Yoshio Sakurauchi.

The lower house plenary session next Tuesday and Wednesday will discuss the opposition's bills and a separate package of four political reform bills submitted earlier by the ruling Liberal Democratic Party (LDP), parliamentary officials said.

The LDP package calls for single-seat constituencies for the lower chamber.

The SDP-Komeito package of six bills includes an electoral bill, a bill that calls for amending the political funds control law and another on political ethics.

The electoral bill proposes introducing a proportional representation system combined with single-seat constituencies for lower house elections.

It proposes cutting the number of the lower chamber seats to 500 from the current 512. The bill suggests electing 200 legislators through a single-seat electoral system and deciding the remaining 300 seats through the proportional representation system.

The bill also calls for dividing the nation into 12 electoral blocs and 200 single-seat constituencies.

The proposed amendment to the political funds control law would oblige politicians to disclose the identity of donors and the amount of all donations of 10,000 yen or more per year as against a disclosure threshold of 600,000 yen in the corresponding LDP bill.

Politicians who receive jail terms for breaching the revised law would lose their civil rights and be barred from running again in elections for five years after the completion of the jail term. For suspended jail terms, the penalty would apply for the duration of the sentence.

Politicians fined for violating the law would be barred from running again for five years after his or her conviction is upheld through court proceedings.

Another bill would obligate all Diet members to report to the heads of newly created political ethics panels in both houses of parliament the value of their assets as of the day they were elected, as well as their annual income.

Contractors Refuse To Detail Kanemaru Donations

OW0804125793 Tokyo KYODO in English 1225 GMT 8 Apr 93

[Text] Tokyo, April 8 KYODO—The heads of two major construction companies, Obayashi Corp. and Hazama Corp., on Thursday declined to comment whether they had supplied secret donations to disgraced politician Shin Kanemaru, who is facing trial on tax evasion.

The president of a third construction firm, JDC Corp., said his company had donated funds to Kanemaru, but said the money was within the bounds of the Political Funds Control Law.

Takao Tsumuro, president of Obayashi, and Akira Kagami, president of Hazama, both said they cannot comment because prosecutors are still continuing investigations.

Akihiro Tsujioka, JDC president, said the law allows his company to donate an annual total of up to 52.5 million yen and that every year the company gives funds to several dozen politicians. Tsujioka refused to state the amounts given to each politician, but said all the donations were legally permitted.

The three were responding to reporters' questions at a series of press conferences at the Construction Ministry.

Obayashi, Hazama and JDC are among the 18 major construction firms from which prosecutors seized documents in connection with Kanemaru's suspected tax evasion.

Kanemaru, who as head of the Liberal Democratic Party's most powerful faction wielded enormous political clout until six months ago, has been indicted twice on charges of evading more than a total 1.04 billion yen in income taxes from 1987 through 1989.

Kanemaru allegedly amassed billions of yen in assets on donations from construction companies in Tokyo and his native prefecture of Yamanashi, part of which he allegedly used to buy "warishin" debentures issued by Nippon Credit Bank and "wariko" debentures issued by the Industrial Bank of japan.

Kagami responded to most of the reporters' questions on his company's political donations by repeating that he could not comment because prosecutors are still investigating the matter. Kagami said that senior officials in his company are responding to investigations. But when asked about his connection with Kanemaru, Kagami limited his response to explaining that the two come from the same part of Japan.

Tsumuro said the legal limit of Obayashi's political donations last business year was 108 million yen but none of the money went to Kanemaru. Asked about Obayashi's links with Kanemaru, Tsumuro said they are "relatively weak." Tsumuro refused to answer a question about possible under-the-table donations to Kanemaru.

Tsujioka denied JDC made any under-the-table donations.

Chukaku-ha Claims Responsibility for Attacks

OW0804040893 Tokyo KYODO in English 0333 GMT 8 Apr 93

[Text] Tokyo, April 8 KYODO—The extreme-left Chukaku-ha (Middle Core faction) on Thursday claimed responsibility for two attacks Monday on property linked to Japan's Imperial Family, police said.

In a statement circulated to mass media in Tokyo, the group said it was responsible for an explosion near the Tokyo home of a senior official of the Imperial Household Agency and for a fire at a hall in Yokohama commemorating the 1958 wedding of Emperor Akihito and Empress Michiko. The statement said Chukaku-ha launched the attacks to protest the emperor's scheduled visit to Okinawa Prefecture later this month.

No injuries were caused by either the explosion or fire, police said.

Kiyoshi Sumiya, 67, grand master of ceremonies at the Imperial Household Agency, escaped injury in the 3:30 A.M. blast near his home in Tokyo's Shibuya Ward that toppled part of a two-meter-high brick wall and broke some windows.

The fire Monday morning at the Wedding Memorial Hall damaged rooms and multipurpose facilities on the first and second floors of the building in Kodomo-no-kuni (Children's Land). Kodomo-no-kuni is a recreation park built to commemorate the wedding of then Crown Prince Akihito and Michiko Shoda in 1958.

Stimulus Package Features Infrastructure Plan

OW0804103193 Tokyo KYODO in English 0959 GMT 8 Apr 93

[Text] Tokyo, April 8 KYODO—A mammoth economic stimulus package the government is preparing will feature a 1 trillion yen program to build hospitals and welfare and telecommunications facilities, government sources said Thursday. The scale of funding for "social infrastructure" is roughly twice as large as that allocated in last summer's 10.7 trillion yen pump-priming package, but smaller than initial targets due to funding problems, the sources said.

The ruling Liberal Democratic Party has been trumpeting its aim to boost spending on construction of social facilities rather than roads and civil engineering works. The government will unveil the package April 13, two days before Prime Minister Kiichi Miyazawa leaves for Washington for talks with U.S. President Bill Clinton.

Government and ruling party officials have said the package will total some 12 trillion yen, the largest ever. It will also include increased housing and public works investment, and set aside some 1 trillion yen for advance purchases of land for public works projects, the sources said. It will also urge the government to concentrate public works spending under the fiscal 1993 budget in the first half, boosting contracts signed in that period by some 5 trillion yen from an ordinary year, they said.

To fund the building of hospitals and other welfare facilities, the Finance Ministry plans to use so-called construction bonds. The ministry is counting on its fiscal investment and loan program, known as "zaito," to fund telecommunications facilities, including distribution of personal computers to public schools.

The government plans to add to the package an increase of some 2 trillion yen in low-interest loans by government financial institutions, the sources said. Of that figure, 1 trillion yen will be used for loans to small and medium-sized businesses and the remainder will be extended to corporations to help them finance their investment in plant and equipment, they said. The government is also considering a low-interest loan program to help small and medium-sized businesses cope with the economic slowdown.

LDP, Opposition Agrees on Tax Cut Framework

OW0804131793 Tokyo KYODO in English 1236 GMT 8 Apr 93

[Text] Tokyo, April 8 KYODO—Ruling and opposition parties agreed Thursday to carry out tax cuts worth about 150 billion yen in current fiscal 1993, party officials said. The officials said the agreement was reached at a meeting of a multiparty panel on economic measures held in the Diet to discuss an additional pump-priming package that the government wants to adopt next week.

Opposition parties agreed to a 150 billion yen tax cut as part of an economic stimulus program of the ruling Liberal Democratic Party (LDP), they said. Both sides agreed to continue discussions on income tax cuts with a "forward-looking posture," the officials said.

According to the agreement, a ceiling of tax exemption on housing loans will be raised to 300,000 yen from the present 250,000 yen while the ceiling on deductions for dependents aged between 16 and 23 will be boosted to 500,000 yen from 450,000 yen, the officials said.

The package, which government officials said will be adopted at a cabinet session Tuesday, will include tax breaks on corporate capital investment and outings for employees, they said.

The LDP was reluctant to implement income tax cuts which will require the government to issue debt-financing bonds to cover the loss in revenue. Opposition parties led by the Social Democratic Party had demanded income tax cuts totaling 3.8 trillion yen.

All tax reduction plans will be implemented when a supplementary budget to be worked out by the government is passed by the Diet during its current session, the officials said.

Tokyo Predicts 'Bright Signs' Ahead for Economy

OW0804043293 Tokyo KYODO in English 0111 GMT 8 Apr 93

[Text] Tokyo, April 8 KYODO—The Japanese economy remains lackluster but there are some bright signs ahead, the Economic Planning Agency said in a report endorsed at a morning ministerial meeting Thursday. In the monthly report, based on the latest economic statistics, the agency used the phrase "some bright signs" for the first time since September 1991 when it first mentioned the deceleration of the economy.

An agency official, briefing reporters, said the latest statistics show improvement in automobile sales, housing starts, public-sector investment, industrial shipments and inventories. He also cited the strongly recovering stock market and the first year-on-year rise in six months for March money supply.

However, these bright signs are limited to small parts of each sector and other statistics are still too weak to change the overall assessment of the nation's economic conditions.

The report included the phrase "slump in an adjustment phase" which it has used since January and concluded by saying the government is planning an additional economic stimulus package. The official said the package is aimed at "spreading the bright signs to other sectors," noting that temporary and technical factors have contributed to lifting some figures.

Automobile sales, for instance, rose as dealers staged strong sales campaign ahead of March book-closing and the same year-end factor boosted industrial production, the official said.

The report noted that the industrial output forecast index pointed to a rise for March but a drop for April. The official said, "there are still no signs that the economy has bottomed out."

North Korea

Reaction to Nuclear Treaty Withdrawal Continues

Minister Denounces IAEA Resolution

SK0804111593 Pyongyang KCNA in English 1108 GMT 8 April 93

["'Resolution' of IAEA Board of Governors Totally Contravenes Agency Statute, Declares DPRK Minister of Atomic Energy"—KCNA headline]

[Text] Pyongyang, April 8 (KCNA)—The minister of atomic energy of the Democratic Peoples Republic of Korea Thursday published a statement denouncing the unjustifiable "resolution" to transfer the so-called "nuclear problem" of the DPRK to the United Nations on the charge of "noncompliance with the safeguards agreement" which was forced through the Board of Governors of the International Atomic Energy Agency by the United States and its followers on April 1.

Recalling that the DPRK, after the effectuation of the safeguards agreement on April 10 last year, submitted to the IAEA an initial report on the nuclear materials earlier than the time limit according to article 62 of the agreement and underwent six rounds of ad hoc inspection by the agency by early February for the verification of the correctness and completeness of the initial report according to article 71 of the agreement, the minister says:

"In this period, we provided the inspection group with sufficient conditions to have the correctness and completeness of the initial report verified by displaying a high degree of spirit of cooperation."

Noting that, nevertheless, an unjustifiable "resolution" to take our question to the United Nations on the charge of "noncompliance with the SA" was adopted at a meeting of the Board of Governors of the IAEA, the minister declares: "There is a shady background in this, on which a revealing light must be shed.

"It was from early November last year," notes the minister, "that some officials of the secretariat of the IAEA abruptly began to bring forward the fictitious problem of 'inconsistency.'

"This 'inconsistency' was, in essence, one caused by the difference in the calculating methods and interpretation and assessment resulting from a mistake of the agency. It was by no means a difference between our declaration and the results of inspection by the agency.

"In the negotiations held during the sixth inspection held from January 27 to February 6, the inspection group admitted the cause of this difference, with the result that the problem of 'inconsistency' was solved and an agreement was reached to 'reexamine the results of the inspection by the agency and continue the discussion during the period of next inspection.'

"However, before the insepction group reexamined the results of inspection the director-general of the agency officially demanded a 'special inspection' of us on February 9, thus blocking the progress of the ad hoc inspection which had been going on smoothly and the road of negotiation for the solution of 'inconsistency'."

"Some officials of the IAEA secretariat at the board of governors meeting linked the 'inconsistency' alleged by them to 'two sites' in a far-fetched manner and went so far as to show with the help of slides faked-up 'intelligence satellite photos' provided by the United States, a belligerent party in a war with the DPRK, something unprecedented, in an effort to justify their claim.

"As far as the 'satellite photos' are concerned, they are quite inconsistent with facts, and the explanation about them is also preposterous.

"Although it had been directly confirmed by the inspection group through on-site inspection that there was no 'connection' between military sites and nuclear facilities in question, some officials of the IAEA secretariat tried to convince the governors, alleging obstinately that the trenches around the military sites furnished clear 'evidence' of their connection with nuclear facilities.

"The U.S. CIA-provided satellite photos of our experimental nuclear power station and so-called 'nuclear detonator explosion testing ground' are also sheer forgeries.

"The inspection group of the agency had confirmed on the spot that the power station had one cooling tower, not two, that there were transmission facilities showing the peaceful nature of our nuclear activities and that the riverside pools are not traces of nuclear detonator explosions.

"Describing our two ordinary military sites as 'nuclear-related facilities' on the basis of the faked-up 'intelligence satellite photos', however, some officials of the IAEA secretariat spread rumours that we were refusing an inspection of nuclear-related facilities.

"When the director-general of the IAEA in mid-September last year requested us all of a sudden to allow access to two sites unrelated to nuclear activities in the form of visit by some members of the IAEA's inspection group, who were on the spot for the third round inspection, we showed them in good faith, taking into consideration that it was the first request of the director-general. We did not even turn down their unreasonable request for another access.

"Although the inspectors of the agency used a radiation dose meter and even a route map to find the direction of the sites, they could not but admit that the sites were unrelated to nuclear activities.

"We are compelled to pay heed to the fact that such visits by the agency followed a 'joint hearing' at both houses of the United States held in the presence of the director-general of the IAEA on July 22 last year, at which there were calls for a 'challenge inspection' and a 'special inspection' of the DPRK, in particular to the recent statement of some officials of the IAEA secretariat that if nuclear materials are not discovered at the two military sites, they must be found elsewhere.'

"We came to know more clearly in this course that some officials of the IAEA secretariat invented the 'inconsistency' under the manipulation of the United States trying to stifle our Republic and made the 'surprise visits' on the basis of the faked-up 'intelligence satellite photos' and that the director-general's request for a 'special inspection' and the unreasonable 'resolution' of the board of governors meeting related to it were based on a pre-arranged script.

"The director-general's proposal for a 'special inspection' of the DPRK and the February 25, March 18 and April 1 'resolutions' adopted at the board of governors meetings in this regard were based on the fictitious 'inconsistency' and faked-up 'intelligence information'. It was a crude breach of the safeguards agreement.

We rejected such illegal robber-like demand and that is the first reason why it charged us with 'noncompliance with the safeguards agreement'.

"Another reason is that we refused to receive the ad hoc inspection group of the agency for three months till the withdrawal from the NPT takes effect after the declaration of it.

"This is a brigandish logic reversing black and white.

"We had consistently called for solving all the problems in the implementation of the agreement through ad hoc inspection and negotiation in the past. Some officials of the IAEA secretariat, however, had denied the possibility of solving the problems in the implementation of the agreement through ad hoc inspection and negotiation and they themselves blocked the way of ad hoc inspection and negotiation, while trying to force an unjustifiable 'special inspection' on the DPRK.

"Under such abnormal circumstances, we, proceeding from the stand of discharging our obligations under the safeguards agreement for three months, proposed on March 30 in explicit terms negotiations with the IAE in this regard.

"However, some officials of the IAEA secretariat ignored our proposal and answered it with the adoption of an unreasonable 'resolution' on transferring our problem to the United Nations.

"This was contrary to article 3 of the agreement which stipulates cooperation in its implementation and to article III of the statute of the IAEA which calls for respecting the sovereignty of the given country. This makes it plain that the United States and some officials of the IAEA following it are the very ones who made it impossible for the DPRK to discharge its obligations under the safeguards agreement for three months.

"So, the IAEA secretariat has no legal ground to conclude 'it is not able to verify that there has been no diversion of nuclear material to nuclear weapons or other nuclear explosive devices.' Therefore, the adoption of a 'resolution' on transferring the problem to the United Nations under the pretext the DPRK's 'noncompliance' is a grave violation of the agreement.

"All these facts clearly prove that there are neither scientific and technical ground nor legal reason to bring our 'nuclear problem' to the United Nations, charging the DPRK with 'noncompliance'.

"It is not the DPRK but some officials of the IAEA secretariat engineered by the United States that did not comply with the agreement.

"Some officials of the IAEA secretariat can never evade the responsibility for wantonly violating the statute of the IAEA and the safeguards agreement and joining the United States in its political and military plot to stifle the DPRK.

"The United Nations, instead of discussing our 'nuclear problem', must call in question the conspiracy of the United States and some officials of the IAEA secretariat in abusing the statute of the IAEA and the safeguards agreement.

"Nobody has the right to wrongly interpret or violate relevant articles of the statute of the IAEA and the agreement.

"Some officials of the IAEA secretariat must strictly abide by the safeguards agreement and the statute of the IAEA, not reducing themselves to servants of the United States in its anti-DPRK scheme to have all its ordinary military bases opened one by one by demanding a 'special inspection'.

"Consistent is our stand to discharge our obligations under the safeguards agreement and solve problems arising in this regard through negotiations.

"I, availing myself of this opportunity, express the hope that the governments of all countries, international organizations and the peaceloving people around the world who value peace and justice will extend support and solidarity to the Korean people in the just cause of thwarting and frustrating the plots of the United States and the forces following it to stifle our socialist system, removing the nuclear threat from the Korean peninsula and safeguarding peace and security.

'Neighbouring Countries' Warned on U.S. Ties

SK0804061693 Pyongyang KCNA in English 0507 GMT 8 Apr 93

["Dastardly Act of Some Neighbours"—KCNA headline]

[Text] Pyongyang, April 8 (KCNA)—Some of our neighbouring countries are these days unhesitatingly addressing themselves to such dastardly act as joining force with our enemies in their criminal attempt to put "nuclear" pressure on the Democratic People's Republic of Korea.

Dancing to the tune of the U.S. imperialists, bereft of independence, they are now letting out a string of trash, calling for "pressure" and "sanctions" against the DPRK.

This is a high-handed violation of the sovereignty and national dignity of our republic, which is whipping all the Korean people into fury.

As far as the DPRK's withdrawal from the Nuclear Nonproliferation Treaty [NPT] is concerned, it is an exercise of its sovereignty as a dignified independent state, which nobody is in a position to decry.

The question of "special inspection" of the DPRK was not raised, by origin, out of "suspicion" over the nuclear problem. It is a product of the United States' anti-socialist, anti-DPRK scheme to put the DPRK forcefully advancing along the road of socialism on the altar of international aggression and stifle it through "colllective pressure" and "sanctions".

It is fully justifiable for the DPRK to have decisively withdrawn from the NPT, exercising the right of a signatory of the treaty, as stipulated in it, under the condition where the United States and some officials of the secretariat of the International Atomic Energy Agency are threatening the sovereignty and security of the DPRK, a non-nuclear state, by abusing the NPT.

Now the world progressive people of conscience are highly estimating the DPRK's withdrawal from the NPT as a legitimate self-defensive measure.

If the neighbouring nations want to behave properly, they should join this trend of the time. They must know that doing so is a fair stand.

Nevertheless, they are taking sides with the United States in its hostile acts to isolate and stifle the DPRK, throwing to the winds their conscience and moral obligation. Why?

In a nutshell, this is because they seek to lull the discontent of the people with the domestic catastrophic crisis and prolong their power by currying favor with the U.S. imperialists and getting more dollars, risking their reputation.

This is, however, a mistake. Even though they may get more dollars, they cannot evade the denunciation of the world progressive people.

Some neighbouring countries, instead of singing in chorus with the United States over the DPRK's fictitious "nuclear problem", must take a fair stand and attitude, behave properly and mind their own business.

Zanzibar President Supports Withdrawal

SK0804045893 Pyongyang KCNA in English 0441 GMT 8 Apr 93

["United Nations Must Maintain Principle of Impartiality in Dealing With Nuclear Problem"—KCNA headline]

[Text] Pyongyang, April 8 (KCNA)—Salmin Amour, second vice-president of the United Republic of Tanzania and President of zanzibar, expressed full support to the measure taken by the Democratic People's Republic of Korea in deciding to withdraw from the Nuclear Non-proliferation Treaty [NPT] in face of the scheme of the United States and the International Atomic Energy Agency for a "special inspection", when he met the Korean ambassador to his country on April 2.

It is natural for a country to counter the pressure of the United States, he said, and stressed that the United Nations must maintain the principle of impartiality in dealing with nuclear problem.

He said that the United States must no longer aggravate the situation on the Korean peninsula and it was a mistake to regard Korea in the same light with Iraq.

He wished the Korean people great success in solving the Korean problem peacefully under the wise guidance of the great President Kim Il-song and the dear leader Comrade Kim Chong-il.

5th Session of 9th SPA Continues in Pyongyang

Finance Minister Details Budget

SK0804032893 Pyongyang Korean Central Broadcasting Network in Korean 1000 GMT 7 Apr 93

[Report by Finance Minister Yun Ki-chong to afternoon meeting of the first day of the Fifth Session of the Ninth Supreme People's Assembly on 7 April entitled: "Settlement of the Execution of the DPRK state budget for 1992 and the state budget for 1993"—recorded]

[Text] Comrade deputies: Under today's grand circumstances, in which all the people in the country are rising up as one in the vigorous struggle to greet the 40th anniversary of the victory of the fatherland liberation war with high political zeal and brilliant labor successes, upholding the militant task elucidated by the great leader Comrade Kim Il-song in his New Year's address this year and the appeal of our party, we will discuss the result of the execution of the last year's state budget and this year's state budget.

Today, our people are filled with the infinite dignity and honor of having repulsed the imperialists' challenges and defended the republic's dignity and sovereignty honorably under our party's tested leadership. At the same time, they are more vigorously accelerating socialist construction without relaxing their heightened revolutionary spirit and militant mettle even to the slightest degree.

Thanks to our party's wise leadership, great upsurges in production have been effected on major fronts of socialist construction, and the laudable communist virtue showing the genuine appearance of our society's single-hearted unity and our people's noble ideological and mental features is increasing everywhere in our country. Our people's revolutionary zeal and spirit of struggle to overcome any difficulties and to vigorously advance along the road of socialism are also surging at an unprecedented rate.

Thanks to our people's struggle to defend and add luster to the socialism of our own style, the might of our republic has been more firmly deepened and become invincible politically, ideologically, and materially.

Today's situation demands that we further strengthen the might of our republic, the fortress of socialism, and extensively exalt the superiority of the popular masses-centered socialism of our own style by more vigorously accelerating socialist construction. We should more firmly deepen the might of the single-hearted unity of the leader, the party, and the masses and should effect a new revolutionary upsurge in socialist construction. Thus, we should smash [chippusida] all sorts of the enemies' maneuvers against socialism and against our republic, vigorously demonstrate the invincibility of our socialism, and expedite the historic cause of national reunification.

By the authorization of the government of the republic I will make a report on the result of the execution of the state budget for 1992 and on the state budget for 1993.

Comrade deputies: Last year was a significant year that will be recorded forever in the history of our fatherland.

The great leader Comrade Kim Il-song has taught: The year 1992 was a year of proud victory and glory, during which our party and all of the people firmly united as one to overcome difficulties and trials and, thus, vigorously demonstrated the correctness and invincibility of the socialist cause.

Last year our people significantly celebrated as the nation's greatest festival the 80th birthday of Comrade Kim Il-song, the respected and beloved leader of our party and our people, who, since the early embarkation on the road of revolution, has devoted his whole life to the sacred cause of the people's freedom and happiness and who, thus, has registered immortal achievements for the fatherland, the people, the times, and history. They also splendidly celebrated the 60th anniversary of the founding of the heoric Korean People's Army [KPA].

Through these significant functions we vigorously demonstrated the might of our people's single-hearted unity around the party and the leader and the grand appearance of the republic, which is enjoying grandeur and prosperity under the banner of independence, self-reliance, and self-defending. Thus, we clearly demonstrated our people's firm faith and revolutionary will to safeguard and defend socialism and to consummate the chuche revolutionary cause to the end.

Last year, the imperialists and reactionaries consistently schemed to isolate and suffocate our republic and to obliterate our socialist cause. However, they were unable to block the struggle of our people who vigorously advanced, firmly rallied around the party and the leader. Last year, our people advanced under our party's leadership, holding the revolutioanry banner of chuche higher in the face of all sorts of challenges. Thus, they registered brilliant successes in socialist construction.

On the strength of our people's surging revolutionary zeal our party and the government of the republic vigorously pushed ahead with the three revolutions—ideological, technological, and cultural. As a result, our party and the government of the republic have strengthened the main force of the revolution and more firmly deepened the foundation of the self-reliant national economy.

A brilliant success was achieved in socialist construction under our party's wise leadership. As a result, the independent financial foundation of the country was further strengthened, and last year's state budget, was also successfully executed. [applause]

The total amount of the state budgetary revenue last year was 39,540,420,000 won, or 100.1 percent of the plan, and the total amount of the state budgetarry expenditure last year was 39,303,420,000 won, or 99.5 percent of the plan.

By effectively using the existing economic foundations in all sectors of the national economy and by vigorously waging the struggle for increased production and conservation, the total state budgetary revenue and expenditure in 1992 increased 6.3 percent and 6.5 percent respectively, from the previous year. Thus, the state budget of last year could sufficiently provide colossal funds for accelerating the socialist economic construction and cultural construction, improving the people's living, and increasing the defense capabilities of the country, and ended successfully, with an excess of revenue of about 237 million won.

This clearly shows the correctness of the independent financial policy of our party and the republic and the solidness of the socialist finance of our country. [applause]

The government of the republic mobilized and effectively used state financial resources to strengthen the economic might of the country and to more smoothly resolve the people's food, clothing, and housing problems in conformity with the socialist demands by thoroughly implementing the self-reliant national economic construction line that our party has consistently adhered to.

In last year's state budget, funds disbursed to the national economy increased 6.3 percent from 1991, a large amount of it went to capital construction so as to increase the might of chuche-based industry and consolidate the material and technological foundation of the rural economy.

The government of the republic last year set it as the most important task to boost the production of electrical power and coal and to rapidly develop railway transport in socialist economic construction. It increased investments in the power and coal industries and in the railway transport by 7.2, 8.3, and 6.7 percent respectively, over the previous year.

In the power industry sector last year, thanks to our party's active measures and the devoted struggle of workers at power plants, work on the construction of the Namgang power plant, the East Pyongyang thermal power plant, and other large hydraulic and thermal power plants were vigorously carried out. Numerous small and medium power plants were built throughout the country. Thus, great sucesseses were achieved in the construction of the power bases of the country.

Last year the workers and builders in the coal industry sector concentrated efforts on existing large coal mines, like Anju, Sunchon, Tokchon, and Pukchang district coal mines. They built new tunnels and further strengthened technological provisions in coal mines. They also accelerated development of new coal mines. Thus, they provided a firm foundation to rapidly increase coal production.

In the railway transport sector, heavy rails were actively introduced into major trunk lines, and electrification of the over 252 km long Hyesan-Manpo Youth Line which is of great significance in the country's economic development was completed successfully. The Pyongsan-Kaesong, Hamhung-Sinhung-Pujonho and other lines were also successfully switched over to electric traction.

The government of the republic made exceptional efforts last year to further develop the key industrial sectors, such as metal, machinery, and chemical industries. Our working class and builders splendidly completed the construction of many facilities last year, such as the youth high-pressure pipe production base of Songjin Steel Complex, the Dorebon plant of Sinhung Chemical Complex, the semi-chemical pulp crushing process of Kilchu Pulp Plant, the first-stage construction of the paraffin separating shop of Ponghwa Chemical Plant, and the construction of the modern numerical control machine tools production base. They also vigorously pushed ahead with the reconstruction and expansion project of the Hamhung district chemical plants.

With leading sectors of the people's economy taking the lead and with the productional and technological base of key industrial sectors further strengthened, the chuche industry of our country and its socialist self-reliant national economy could display greater might. Displaying the revolutionary spirit of self-reliance and fortitude under the leadership of the party, we consistently implemented the line of building a self-reliant national economy and built our own strong material base capable of defending and highly demonstrating the honor and dignity of chuche Korea under any difficult condition. We can be very proud of this. [applause]

Last year, the government of the republic made exceptional efforts for agriculture, light industry, and housing construction to more smoothly solve the problem of food, clothing, and shelter for the people. We designated last year as a year for bumper crops and made exceptional efforts in farming. To thoroughly implement the great leader's teaching on drastically increasing agricultural production, the state allocated large funds which amounted to 5.2 percent more than the previous year to the rural economic sector and saw to it that the entire country vigorously supported rural areas.

All the agricultural working people and volunteers for work in rural areas who surged forth last year upholding our party's call, carried out large-scale waterway projects such as the second-stage project of the Sohae Barrage-Ullyul-Kwail Waterway, the Tongha two-stage pumping station waterway project, the Pakchon waterway expansion project, and the Yokpo waterway project. They completed the irrigation of rural areas at a higher standard and actively realized the mechanization and scientization of rural economy, thereby making great progress in the technological revolution of rural areas.

Also, we vigorously pushed forward the green revolution, successfully producing many seeds suitable for the climactic and topographical conditions of our country. By actively pushing forward large-scale tideland reclamation projects, such as in the Kumsong tideland and the Kwaksan tideland, we were able to reclaim much new arable land in large tideland areas, and thus provide a strong foundation to rapidly increase agricultural production.

The rural areas of our country—which were underdeveloped beyond description materially, technologically, ideologically, and culturally—are achieving industrialization and modernization in agriculture rapidly and continues to improve the standards of ideological consciousness and the material and cultural life under the resplendent banner of the socialist rural thesis put forth by the great leader Comrade Kim Il-song. This clearly shows the justness of our party's agricultural policy and powerfully demonstrates the unequalled superiority and vitality of the socialist collective economy that has taken root deep in our rural areas. [applause]

Last year, the light industrial sector waged an active struggle to further modernize the existing light industrial plants and operate them at full capacity upholding the party's light industrial revolution line, building a stronger base enabling them to rapidly increase textile goods, footwear, and various daily necessities and foodstuffs. Thanks to our party's benevolent measures, splendid modern children's nutrient food processing facilities were built in Pyongyang last year and [word indistinct] children's splendid production bases were expanded and strengthened, thus making it possible to produce and supply nutrient processed foodstuffs for our dear children and students in larger quantities.

The government of the republic increased its allocation of the state fund for housing construction by 6.3 percent over last year. Thanks to our party's great consideration to provide our people with splendid living conditions and our party's wise leadership, modern housing construction was successfully carried out on an unprecedented large scale last year in Pyongyang, the capital of the revolution, and splendid dwellings were built in large numbers in local cities and rural areas as well.

The builders of the capital and the soldiers of the People's Army, who launched themselves into the rewarding construction battle upholding our party's grand idea for the everlasting prosperity of the country and the people's happy lives, bravely overcame the difficulites they encountered and displayed mass heroism, thereby building a magnificent Tongil Street comparable to one new city and brilliantly completing fashionable dwellings for 50,000 families, thus creating a miracle of construction to the amazement of the people of the world.

The builders of the capital worked hard to continuously effect innovations with the loyal resolve to build additional fashionable dwellings for 30,000 families and carried out another enormous construction work within a few months, thus registering proud exploits and making it possible to foresee the completion of the 30,000 family dwellings in the near future. This marvellous success which will resplendently shine in the history of the construction of our country is the brilliant embodiment of our party's noble ideals to provide our people with more splendid and happier lives, the manifestation of our people's firm will, "What the party decides, we will do," and the symbol of the chuche Korea which grows and prospers endlessly in the era of the Workers Party of Korea [WPK] and the inexhaustible creativity of the independent people. [applause]

Last year, the government of the republic allocated huge state funds to social and cultural meassures and popular policies to accelerate socialist culture and promote the people's welfare. Last year the state increased expenditures by 9.6 percent for the development of science and technology and by 10.8 percent for educational work compared with those of the previous year.

Our scientists and technicians displayed high revolutionary zeal and creative wisdom last year and achieved brilliant successes in important scientific and technological research areas, such as electronic engineering, thermal engineering, mechanical engineering, and breeding science, thereby actively contributing to further enhancing the country's scientific and technological standard and realizing the chucheization, modernization, and scientization of the people's economy.

Last year marked the 15th anniversary of the publication of the Socialist Education Thesis and the state's huge investment in the educational sector brought forth the completion of magnificent new school buildings and modern educational facilities at Kim Chaek Engineering University. It also brought forth new colleges, such as Koryo Songgyungwan which represents the long history of national education, Paegamsan College, and Saeppyol Agricultural College, and the educational equipment and facilities of schools of various levels were further improved.

Thanks to the people-oriented educational policies and the benevolent free educational system bestowed by the great leader, all the new growing generations in our country study as much as they desire in schools of various levels from the people's school to colleges and universities without even knowing the word "educational fee" and without paying any money. Thanks to our country's socialist educational system which was established by the great leader and our party's policy of training national cadres, the number of intellectuals, who numbered only a score or so in the wake of the national liberation in 1945, has now reached 1.66 million. [applause]

The Korean intellectuals meeting which was held last year amid the great interest of all the people and the high political zeal of our intellectuals highly displayed the endless honor and pride and the revolutionary spirit of the Korean intellectuals who were brought up to be one of the main-force units of the revolution and construction in the bosom of our party. Bringing forth the large army of 1.66 million intellectuals who share their destinies with the party and are endlessly loyal to the party, the revolution, the country, and the people as a glorious component of the WPK is the great victory of our party's chuche-oriented educational policy and intellectual policy. [applause]

The state increased expenditures for cultural work, public health work, and sports work by 8.4 percent over the previous year to further develop socialist national culture, the people's public health work and sports work.

Last year the old revolutionary battlefields and historic revolutionary relics around Mt. Taedu were more satisfactorily organized as strongholds for education of our people with our party's glorious revolutionary tradition. The magnificent Three Revolutions Exhibition Hall was built in Pyongyang. Thanks to our party's benevolence, the Yun I-sang Music Hall and Taekwondo Hall were built. Besides, a number of modern cultural and public health facilities were constructed.

Our party and the Republic's government last year drastically raised the wages of all workers, technicians, and office employees in a bid to increase the workers' income and upgrade the people's living standard. Our party and the Republic's government implemented the epoch-making policy to increase the income of peasants of cooperative farms.

In recent years, great successes have been registered in socialist construction in our country and the nation's economic power has been further strengthened. Under this condition, our party and the Republic's government last year decided to raise the wages of the workers, technicians, and office employees 43.4 percent; the pensions of beneficiaries of social security 50.7 percent; and scholarships for students at schools of different levels including universities and colleges 33 percent on an average. It also decided to raise the state purchase prices of paddy rice and maize 26.2 and 44.8 percent, and those of other farm products in order to increase the income share of cooperative farmers.

These popular policies reflect the consistent line of our party and the Republic's government to more satisfactorily ensure an independent and creative life for our people. They are historic policies with epoch-making significance in raising the people's living standard onto a higher stage. [applause]

While directing an enormous amount of state finance to raising workers' wages and the state purchase prices of agricultural products, the Republic's government provided our people with enormous state benefits through various popular communist policies that were implemented a long time ago.

Thanks to the precise leadership and popular policies of our party and the Republic's government, today our people are equally enjoying genuine political freedom and democratic rights as masters of the state and society under our country's superior socialist system. They are thus guaranteed a happy material and cultural life. [applause]

Our people are now provided with all necessary material and cultural needs, including food, clothing, and housing by the state, and all working people are engaged in creative work to the best of their ability, and their jobs are stable.

In our country the state supplies food to the factory and office employees at prices next to nil. Universal and complete medical care and education are free. The state covers all expenses, ranging from charges for medical examinations and doctor visits, to outpatient fees, charges for operations and medicine, inpatient treatment, and even the cost of hospital meals.

Well-furnished homes are built for workers, office employees, and peasants at state expense, and electricity, service water, and even fuel are supplied at low prices. [applause]

There are no unemployed people, loafers, or beggars in our country, and our people are equally well off without worries about living. There is no tax, and their stable life is firmly guaranteed by the state. [applause]

The happy life people are enjoying in our country today is a valuable and proud life that cannot be thought of in the capitalist society, where money dominates everything, the-rich-get-richer and the poor-get-poorer phenomenon cannot be removed, and the workers cannot escape constant worries about their lives and the threat of joblessness and poverty.

Therefore, our people, loudly singing a song of faith and pride that our leader and our party are the best, and our socialist country is the best, are staunchly struggling to defend and protect our country's socialist system and to accomplish the socialist cause to the end in firm unity with the party and the leader by overflowing with revolutionary optimism. [applause]

The Republic's government last year earmarked 11.4 percent of the total state budgetary expenditures for defense spending to increase the nation's defense power and to thoroughly implement our party's revolutionary military line.

Now our revolutionary Armed Forces and all-people defense system have grown to be invincible Armed Forces and an impregnable fortress creditably safeguarding the security of the socialist motherland and people under whatever complicated situation. [applause]

Last year the state budget ensured financially that all policies of the party and the state were successfully implemented in order to accelerate the socialist economic and cultural construction, to strengthen the nation's defense and to constantly promote the people's welfare. Thus, the state budget greatly contributed to defending, protecting, and glorifying socialism in our country.

The achievements made by our people in socialist construction last year under the guidance of our party are all the more valuable and proud as they have been gained under the most difficult and complex circumstances and in acute confrontation with the enemy. [applause]

All victories and successes attained in socialist construction and in execution of state budget are the result of wise leadership of the great leader and our party, which led the revolution and construction to a brilliant victory, thus showing our people the way to advance. They are a precious fruition of the dedicated struggle of all people to accomplish the party's policy and line without the slightest wavering. [applause]

Comrade deputies: Today our people faced a glorious task to smash the imperialists' various challenges and disturbance maneuvers and to defend, protect, and glorify our socialism.

The great leader Comrade Kim Il-song has taught: Holding high the slogan "The Party, the People, and the Army Must All Be United in One Mind and Complete the Socialist Cause to the Last," all the party members and working people must display the revolutionary spirit of self-reliance and hard-working as well as mass heroism, promote socialist construction energetically, and bring the advantages of our socialism into fuller play.

The state budget for 1993 was compiled in such a manner as to fully finance the struggle of our people to consolidate the independent economic foundations of the country, rapidly improve the people's material and cultural living, and further exalt our socialism by upholding this year's militant tasks put forward by the great leader Comrade Kim Il-song and our party's strategic tasks and by vigorously accelerating the socialist economic construction. [applause]

The total revenue and expenditure of the state budget for 1993 amount to 40,449,850,000 won each, an increase of 2.3 percent in revenue and 2.9 percent in expenditure from last year.

It is a consistent principle of our party and the Republic's government to periodically increase financial revenue so as to correspond to the popular nature of our country's socialist finance and of the state budget.

This year the state envisages increasing the budgetary revenue from the industrial sector by 2.5 percent from last year's level, by effecting a great new productive upsurge in the local industrial sector, which is charged with the basic share in the revenue of financial budget, and in plants and enterprises in the light industry sector.

The Republic's government envisages directing a great amount of state funds to various sectors in socialist construction, according to our party's financial policy this year.

With a view to further consolidating the foundation of self-reliant national economy and to rapidly promoting the people's living standard, the state budget this year will increase investment in the national economy by 3 percent from last year, much of it going to the leading sectors of the national economy and light industry and agriculture.

The coal, power, and metal industries are the key areas in which we should concentrate our efforts in socialist economic construction.

In order to rapidly develop the coal, power, and metal industries, the Republic's government this year will allocate huge amounts—3.5 percent maore than last year—to these sectors, and it will give top priority to coal industry.

In the coal industry, priority will be given to tunneling and pit construction; the project to expand capacities of existing mines will be accelerated, and construction of new mines will be vigorously carried out. Technological equipment in mines, including facilities for tunneling, coal mining and transportation, will be strengthened so that coal production be rapidly increased.

The power industry sector will concentrate efforts on normalizing electricity production at a high level by operating existing generation facilities at full capacity. At the same time, to increase generation capacity, it will accelerate construction of large hydroelectric power plants, hasten completion of thermal power plants drawing to a close, and build more new middle and small power plants.

The metal industry sector will supply iron and steel works with enough iron ore concentrate, increase steel production by using domestic materials and fuels, and hasten chucheizing and modernizing of the metal industry so as to elevate production of steel products to a higher level.

This year, the state will have leading sectors of the people's economy, including the coal industry, effect new innovations by investing intensively in these sectors and by giving priority to guaranteeing all conditions for production so that all economic sectors can make a great upsurge in production. [applause]

A large amount of state investments in machinery, chemical, and building materials industries will be made this year. The might of our country's chuche-oriented industry will be strengthened more, and the basis of our socialist self-reliant national economy will be further consolidated.

To smoothly meet the country's transport demands by rapidly developing railway traffic is an urgent demand in normalizing production at a high level and effecting a new upsurge in production in all sectors of the people's economy. [applause]

The state will accelerate heavy-duty railway tracks by increasing funds for railway traffic by 3.1 percent over last year. It will increase electric railway sections, vigorously accelerate on-going construction of new railways, and improve existing railways, so as to strengthen this sector's material and technological basis.

The railway transport sector will organize and supervise transportation to make effective use of the existing transport capacity while intensively strengthening transportation, container freight, and combined freight. By greatly displaying the 5.18 No-accident, On-time, Traction-standard-surpassing Movement ignited by our party, it will increase freight, and effect a new innovation in railway transportation. [applause]

To constantly improve the people's living is a priority principle in the activities of our party and the Republic's Government. Building socialism is ultimately aimed at guaranteeing our people independent political lives and abundant, sound material and cultural lives so they can fully enjoy their independent and creative lives.

This year, our party presented its policy on rapidly increasing people's consumer goods by concentrating state-level efforts to developing the light industry and increasing consumer goods production. According to our party's revolutionary policy, a large portion of the state budget, up 4.1 percent from last year, has been allocated to the light industry sector this year.

The light industry will boldly innovate technology by vigorously carrying out the light industrial revolution. It will make a new turning point in people's consumer goods production by taking active measures to run light industrial plants at full capacity, so that a larger amount of various quality consumer goods can be supplied to the people. [applause]

Firmly adhering to our party's agriculture-first policy, the state will increase funds for the rural economy by 2.1 percent over last year to increase agricultural production.

The respected and beloved leader Comrade Kim Il-song taught that the key to remarkable increases in agricultural production under conditions in which water and seed problems have been solved, is the supply of enough fertilizer to rural areas.

To thoroughly implement the respected and beloved leader Comrade Kim Il-song's teaching, the state will concentrate efforts to have chemical fertilizer plants increase fertilizer production so as to increase the supply of various chemical fertilizer to rural areas.

At the same time, it will send more tractors, motorcars, and many other modern farming machines to rural areas so that the general mechanization of farming work can be actively realized. It will also vigorously push ahead with the technological revolution in rural areas so as to further strengthen the material and technological basis of rural economy.

All agricultural working people and agricultural volunteers should thoroughly implement the chuche-oriented farming method by displaying their endless loyalty and devotion to the party and the leader so that they can make a new upsurge in overall production of agricultural products like grains, vegetables, meat, and fruit, thus more greatly enhancing the superiority and vitality of our country's socialist rural economic system. [applause]

This year the state will also make huge investments in the construction sector and build houses in Pyongyang and other cities. When we complete the construction of 30,000 modern housing units in Pyongyang city and build a number of new houses we can more smoothly solve the people's housing problem, and Pyongyang city, the capital of the revolution, will become a grander and more splendid modern city. Thus, cities and rural villages will be built culturally and beautifully. [applause]

Properly carrying out the socialist cultural construction is important in defending and developing the socialist cause. This year the government of the republic increased actual expenditures for socialist cultural construction by 2.1 percent compared to last year. Thus, we will further develop all fronts of the socialist cultural construction, including science, education, literature, art, public health, and sports.

This year, too, the state will direct huge funds so that a wide range of state benefits, including the upbringing and education of children at state expense, free education, free medical care, social insurance, and social security can be granted to the people. [applause]

Thanks to the fatherly love and great care of the great leader, the government of the republic has provided a huge amount of educational aid funds over 30-odd years, beginning in 1957, for the democratic antional education of the General Association of Korean Residents in Japan [Chongnyon]. [applause]

This year, too, the government of the republic will send huge educational aid and stipends for the democratic national education of Korean children in Japan. This benevolent care by the great leader vigorously inspires the development of the Chongnyon's democratic national education and gives great encouragement to the Korean compatriots in Japan who are devoting their all to achieving the socialist fatherland's grandeur and prosperity and the independent and peaceful reunification of the country. [applause]

This year, the government of the republic envisages disbursement of 12.6 percent of the total state budgetary expenditure for defense spending in order to increase the defense power of the country in the face of the enemies' aggression and provocation maneuvers.

By thoroughly implementing the party's self-defense military line we will further strengthen our KPA into ever-victorious revolutionary armed forces. Also, by arming all of the people and by making the whole country a fortress we will reliably defend the security of the fatherland and the cause of socialism. [applause]

Our state budget is a revolutionary and independent budget reflecting the line and policies of our party and constantly developing the firm foundation of the independent national economy. It is also a genuine, popular budget in which the nation's finance is used wholly for the sake of the people. [applause]

The state budget this year will greatly contribute to vigorously advancing the socialist cause by disbursing state funds to strengthening the country's might and to improving the people's living and by effectively using the funds. [applause]

Comrade deputies: Successfully executing this year's state budget is an honorable and rewarding task to deepen the socialist system of our country, to safeguard and defende the popular masses-centered socailism of our own style, and to enhance its superiority.

The great leader Comrade Kim Il-song has taught: Success in the revolution and construction depends on how we organize and mobilize the creative zeal and creative power of the masses.

All guiding functionaries should inspire the masses to struggle and to perform feats by giving priority to political work according to the Chongsanri spirit and Chongsanri method and according to the demand of the Taean work system which our party created. They should keenly carry out the operation and organizational work to accomplish the party's line and policy.

Today's complex and strained situation and gigantic tasks facing us demand that our functionaries and workers militantly work with a lofty revolutionary spirit.

In this significant year when we mark the 40th anniversary of victory of the Fatherland Liberation War, we should vigorously struggle with the fighting spirit we displayed during the days of arduous war, and should successfully carry out this year's national economic plans and state budget in all domains and units of the national economy. Thus, we should effect a new upsurge in socialist construction.

In order to accelerate our advance movement by successfully executing this year's state budget, we should vigorously carry out the three revolutions—ideological, technological and cultural—by firmly grasping the general line for socialist construction advanced by our party.

It is a priority task for remodeling the whole society on the chuche idea and for accomplishing the socialist cause to firmly arm the popular masses with the chuche idea by giving priority to the ideological revolution.

Only when all people are united firmly as one with a chuche-based outlook on the world, can they strengthen chuche in our revolution, defend and protect socialism of our country, and vigorously accelerate socialist construction. [applause]

We should firmly arm the popular masses with the chuche idea—our party's great revolutionary idea—by upholding the banner of ideological revolution. Thus, we should thoroughly establish chuche in ideology, and should prepare all members of society to be genuine fighters who will remain endlessly loyal to the party on the road of struggling to accomplish the chuche revolutionary cause.

Guiding functionaries in all domains of the national economy and all workers should assume our party's line and policy—the embodiment of the great chuche idea—as their absolute faith, and should thoroughly accomplish the party's line and policy by displaying the spirit of endless dedication and sacrifice. Thus, they should fully display loyalty to the party and to the leader in practicing socialist construction. [applause]

By vigorously accelerating the technological and cultural revolution, we should effect a new upsurge in all domains of socialist construction. To accelerate socialist economic construction and to highly display the superiority of a socialist economy, we should keep the principle of socialism in economic guidance and management, and thoroughly accomplish the Taean work system.

Only when we properly carry out economic organizational work and business management in compliance with the principle of socialist economic management and with the demand of the Taean work system, can we normalize the production at a high level by effectively using the existing economic foundations and thus promote the people's living standard to a higher stage.

All state economic organizations should strengthen the economic operation, economic organizational work and unified system in order to thoroughly accomplish the party's strategic policy in socialist economic construction. We should vigorously carry out all economic works in accordance with the party's intention.

The essential revolutionary task of economic guidance organizations, plants and enterprises is to successfully carry out the state's national economic plans. The national economic plans are the party's directive and a law of the state.

Fulfillment without fail by all domains and all units of such plans is a basic guarantee for developing the economy constantly and rapidly by displaying the superiority of a planned economy of socialism. All economic guidance organizations should responsibly carry out the work of guidance and guarantee production by bearing full responsibility for accomplishing the plans in their respective domains. Thus, they should solve all problems raised in accomplishing the plans in a revolutionary manner.

All domains and all units should accomplish without fail all state plans according to daily, monthly and quarterly goals and by index, and should even exceed them.

Thoroughly implementing the revolutionary mass line and scientific principle in economic management is the basic demand for highly displaying the superiority and powerfulness of the Taean work system, the chuche-based socialist economic management system.

In all domains and all units of the national economy, guidance functionaries should delve deeply into the masses to share their joy and sorrow and give priority to political work. They should encourage the producer masses to fully play their role and take charge of their responsibilities as practical masters of economic management by making them display their revolutionary zeal and creative power.

All plants and enterprises should properly carry out production organization in compliance with actual conditions and should correctly manage manpower, facilities and materials. Based on scientific (?estimation), they should manage and operate the economy so that economic effectiveness of production and construction be ensured at a highest level.

All functionaries and workers should vigorously carry out the struggle to produce to the maximum and to preserve to the maximum in conformity with today's strained situation and with the demand in socialist construction. They should effectively utilize every gram of material and [word indistinct] without wasting them, and should carry out all housekeeping [sallimsari] of the state in a frugal manner.

An important task for accelerating socialist economic construction and for successfully executing the state budget is to to improve and strengthen financial management work and to enhance overall functions of socialist finance.

We should more thoroughly establish the discipline and order to manage finance according to the monolithic plan under the unified guidance of the state by implementing the revolutionary principle of socialist financial management. We should strengthen financial control in order to increase production and to eliminate wastefulness.

Plants and enterprises should correctly implement the independent profit system in compliance with the revolutionary principle of socialist economic management and should carry out business activities in a reasonable and frugal manner. They should make efforts to make both ends meet and to generate more profits for the state.

This year when we mark the 20th anniversary of the publication of the policy on the local budgetary system by the great leader, local administrative and economic organizations should vigorously carry out the movement to win the title of exemplary local budgetary (?unit) and should actively mobilize local reserves and potentials. Thus, they should increase the local budget's revenue and carry out local housekeeping in a responsible manner. By rapidly promoting the people's living standard, they should more highly display the superiority and vitality of the local budgetary system.

All domains and all units should more thoroughly establish the daily production and financial summing up system—the superior financial summing up system of our own style and a mass business management and operation method—and should attain more economic preservation. Thus, they should exceed the state plans.

All domains and all units should highly display the revolutionary spirit of self-reliance and hard-work according to the demand of the prevailing situation and should overcome all difficulties and obstacles on their own strength. They should vigorously accelerate socialist economic construction by mobilizing our might, ability and resources to the maximum. Thus, they should strengthen the nation's might and upgrade the people's living standard and should defend, protect and glorify socialism of our own style. [applause]

The single-hearted unity of the leader, the party, and the masses is a decisive guarantee for all of our victories. Our single-hearted unity is a single-hearted unity in which all of the people firmly rally around the party and the leader based on one ideological will and revolutionary sense of duty. It is also an invincible unity and cohesion which can surmount any difficulties and trials. [applause]

This single-hearted unity is the basic driving force in the development of our society and is the source of boundless might in our socialism. [applause]

We should more firmly rally the popular masses around the party and the leader so that all of the people can share their destiny with our party in the struggle for socialism and that they can advance the socialist cause victoriously with the might of single-hearted unity. [applause]

The leadership of our party, which is the organizer and guide of all victories of our people, is the lifeline of the socialist cause. [applause]

The advance toward socialism is led by the working class' party, and we cannot think of the victory of the socialist cause apart from the party's leadership.

We should vigorously struggle to consummate the socialist, communist cause, the revolutionary cause of chuche, by upholding the great leadership of our party, which always leads our people to victory through its outstanding chuche-based revolutionary theory, strategies, and tactics. [applause]

As long as we have the leadership of the Workers Party of Korea and as long as the people firmly rally around the party, the most superior socialism of our own style, the mighty self-reliant socialist economy, and the ever-victorious revolutionary armed forces, we will surmount all difficulties and trials, repel all enemies' maneuvers, and, thus advance along the road of socialism. [applause]

Let us all firmly unite around the party Central Committee headed by the respected and beloved Comrade Kim Il-song, upholding the chuche revolutionary banner. Thus, let us vigorously struggle to expedite the victory of the socialist cause and the independent and peaceful reunification of the country. [applause]

Vice Premier Approves State Budget

SK0804075293 Pyongyang Korean Central Broadcasting Network in Korean 1100 GMT 7 Apr 93

[Speech by Kim Tal-hyon, Vice Premier of DPRK Administration Council and deputy of Supreme People's Assembly (SPA), at the first-day afternoon meeting of the Fifth session of the Ninth SPA, held in Mansudae Assembly Hall in Pyongyang on 7 April—recorded]

[Text] [Applause] Comrade deputies: It is a national event of great significance in our people's struggle to achieve the cause of national reunification to accept the 10-point program of great unity of the whole nation for reunification of the country which was initiated and personally prepared by the great leader Comrade Kim Il-song. [applause]

The 10-point program of great unity of the whole nation is a great reunification program which opened a bright prospect for achieving the cause of national reunification in the 1990's without fail with unified strength of the whole nation by voluntarily overcoming the prevailing grave situation and difficulties laid on the road of reunification.

This program is a patriotic program overflowing with ardent love of the nation and with the spirit for national independence and is a great chapter for unity of the nation. The 10-point program of great unity of the whole nation is inspiring our people's new confidence in victory and aspirations to national reunification. This is vigorously encouraging the whole nation to accomplish the historic cause for the independent reunification of the country.

Last year the Republic's government precisely executed the state budget under the wise leadership of the great leader and our party, and thus satisfactorily ensured by finance the work to further strengthen the nation's might and to implement various policies for promotion of the people's welfare.

I recognize that this year's state budget is correctly compiled so as to effect a great advance in the struggle to further consolidate the socialist system in our country and to epochally enhance the people's material and cultural living standard by accomplishing the militant tasks put forward by the great leader Comrade Kim belong to the New Year address and our party's economic strategy. I fully support and approve the settlement of the execution of the 1992 state budget, which was submitted to this SPA for deliberation, and the state budget for 1993. [applause]

Last year the imperialists and reactionaries persistently maneuvered to isolate and stifle our Republic, a stronghold of socialism, and to crush our socialist cause. However, our people waged a strenuous struggle by more highly upholding the Juche revolutionary banner and by following the leadership of the great leader and our party. We registered a brilliant success in socialist construction and consolidated the foundation of self-reliant national economy. Thus, we won a proud victory in defending and protecting our socialism. [applause]

Since there is the wise leadership of the party and the leader, a firm foundation for self-reliant national economy has been provided, and there is a most superior economic management system of our own style, and the socialist economy has been constantly consolidated and developed in our country without wavering by any outside pressure and worldwide economic crisis. Our people are living an independent and creative life amid benevolence of the party and the state.

Last year the Republic's government [illegible]

[illegible]

[illegible]

[illegible]

industry and completed the construction of various facilities, such as the 10,000-ton high-pressure pipe production base of Songjin Steel Complex, the Dongrim Plant of Sunhung Chemical Complex, the reed chemical pulp crushing process of Kilchu Pulp Plant, the first-stage construction of the paraffin separating stage of Ponghwa Chemical Plant, and the construction of the modern numerical control machine tools production base. We also vigorously pushed ahead with the reconstruction and expansion project of the Hamhung District chemical plants.

Last year we allocated a large amount of funds to the rural economic sector and carried out large-scale waterway projects, such as the second-stage project of the Sohae Barrage-Chongdan Waterway, the Tongha two-stage pumping station waterway project, the Pakchon waterway expansion project, and the Yonpo waterway project. We waged a struggle to further modernize the light industrial plants and operate them at full capacity, thereby building a strong base capable of rapidly increasing the production of textiles, footwear, and various daily necessities [illegible]

[illegible]

[illegible]

to win the title of exemplary local budgetary (?unit) and should actively mobilize local reserves and potentials. Thus, they should increase the local budget's revenue and carry out local housekeeping in a responsible manner. By rapidly promoting the people's living standard, they should more highly display the superiority and vitality of the local budgetary system.

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All domains and all units should highly display the revolutionary spirit of self-reliance and hard-work according to the demand of the prevailing situation and should overcome all difficulties and obstacles on their own strength. They should vigorously accelerate socialist economic construction by mobilizing our might, ability and resources to the maximum. Thus, they should strengthen the nation's might and upgrade the people's living standard and should defend, protect and glorify socialism of our own style. [applause]

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Let us all firmly unite around the party Central Committee headed by the respected and beloved Comrade Kim Il-song, upholding the chuche revolutionary banner. Thus, let us vigorously struggle to expedite the victory of the socialist cause and the independent and peaceful reunification of the country. [applause]

Vice Premier Approves State Budget

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[Text] [Applause] Comrade deputies: It is a national event of great significance in our people's struggle to achieve the cause of national reunification to accept the 10-point program of great unity of the whole nation for reunification of the country which was initiated and personally prepared by the great leader Comrade Kim Il-song. [applause]

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This program is a patriotic program overflowing with ardent love of the nation and with the spirit for national independence and is a great chapter for unity of the nation. The 10-point program of great unity of the whole nation is inspiring our people's new confidence in victory and aspirations to national reunification. This is vigorously encouraging the whole nation to accomplish the historic cause for the independent reunification of the country.

Last year the Republic's government precisely executed the state budget under the wise leadership of the great leader and our party, and thus satisfactorily ensured by finance the work to further strengthen the nation's might and to implement various policies for promotion of the people's welfare.

I recognize that this year's state budget is correctly compiled so as to effect a great advance in the struggle to further consolidate the socialist system in our country and to epochally enhance the people's material and cultural living standard by accomplishing the militant tasks put forward by the great leader Comrade Kim manage and operate the economy in our own style, can we brilliantly build socialism and communism unshaken by any wind. [applause]

Comrade deputies: Today's situation demands that we concentrate our efforts on the socialist economic construction, utilize the existing economic base as best as possible, and further enhance the people's standard of living so as to further strengthen the might of our Republic, the fortress of socialism, and to comprehensively and highly exalt the superiority of the popular mass-centered socialism of our own style.

The great leader Comrade Kim Il-song has taught: This year we will vigorously accelerate socialist economic construction to further consolidate the basis for a self-dependent economy and should rapidly improve the people's material and cultural life.

The key sectors of the socialist economic construction in which we should concentrate our strength this year are the coal industry, the power industry, and the metal industry. To rapidly develop the coal, power, and metal industries this year, we allocated an enormous amount of funds this year which increased 103.5 percent compared with last year. We will especially concentrate our efforts into firmly giving priority to the coal industry.

In conformity with the party's consistent policy, the extraction industry should firmly be given priority before any other sectors so that fuel, power, and production of iron and steel materials including electricity production can be carried out. Also, production and construction can be normalized in all sectors of the people's economy including the chemical industry and light industry.

We will accelerate the reconstruction and expansion construction of coal mines and construction to develop new coal mines. We will actively realize the mechanization of pit construction in coal mines; widely accept effective ways for coal mining; and decisively strengthen the supply work of facilities and materials including modern mining facilities and means of transportation. By doing so, we will work to normalize at a high level the production of coal and minerals.

To increase power production this year, the power industry sector will operate at full capacity the existing power facilities to concentrate strength in normalizing power production at a high level. Also, we will accelerate large-scale hydroelectric power station construction; rapidly finish the construction of thermal power stations which is in its last stage; and will all the more establish new small and medium-sized hydroelectric power stations.

In the metal industry sector we will maintain and reinforce the existing metal plants; increase steel production through domestic raw materials and fuel; and accelerate the chucheization and modernization of the metal industry to further normalize at a high level the production of iron and steel materials.

This year we will also concentrate our strength in the chemical industry sector by smoothly providing fuel, raw materials, and materials to the 8 February Vinalon Complex and the Sinhung Chemical Complex. Also we will thoroughly carry out repair work and management of facilities, and accelerate technological improvement work to decisively increase the production of raw materials of light industry including chemical textiles and synthetic resins.

According to the party's economic strategy, we will put much emphasis in agriculture and light industry to further strengthen the material and technological basis in the rural economy; decisively increase grain production; and put forth active measures to operate at full capacity light industry plants so that a revolutionary turning point can be achieved in the production of consumer goods. We will also establish modern houses for 30,000 households in Pyongyang, and construct on a large-scale houses in the rural and urban areas so that the housing problem can be further smoothly solved.

To rapidly develop the traffic and transportation sector, we will allocate much funds to this sector to accelerate the heavy duty of the railways and increase the section of the electrification of the railways. By doing so the on-going new railway construction and the construction to repair railways can be vigorously promoted and the material and technological basis for the railways can be further strengthened.

To wholly manifest the superiority and potential of the socialist economy based on collective possession, our style socialist planned economy and the economic management system should be advocated and adhered to, strong centralized rules in the economic work should be established, and the economic organization work and the enterprise management should be carried out further.

We will highly uphold the unified planning and detailed planning put forth by the party; further strengthen the function and role of the state planning organization and (?planning) cells, and thoroughly realize an overall management method so that the successive process of economic operation, organization, grasping the situation, and coordination and control can be carried out scientifically. By doing so, the true superiority of the management system of our style socialist economy will be wholly manifested.

We will always go deeply into the production site to have a concrete understanding of the situation and to find a correct way to solve problems, so that all works can be carried out in accordance with the strength of the masses.

We regard the leader, the party, and the masses as one social and political organic body and are firmly supporting the single-hearted invincible might as a proud result of the socialist economic construction. By doing so we are able to resolutely advocate, adhere to, and further elucidate socialism of our own style centered on the popular masses, and actively contribute to hasten the cause of the fatherland's reunification.

As one of the guiding functionaries responsible for the nation's economy, I will work to carry out economic operation and organization work with high loyalty toward the party and the leader and the spirit of devotedly serving the people in accordance with the party's intention to smoothly carry out the economic construction operation unfolded by the dear comrade leader. By doing so, I firmly resolve to fulfill the heavy duty and responsibility put before me. [applause]

KCNA Reports 8 Apr SPA Session

SK0804111693 Pyongyang KCNA in English 1027 GMT 8 Apr 93

[Text] Pyongyang, April 8 (KCNA)—The second-day sitting of the Fifth Session of the Ninth Supreme People's Assembly [SPA] of the Democratic People's Republic of Korea was held today.

Debate on the second item "On the Results of the Fulfilment of the State Budget for 1992 and on the State Budget for 1993 of the DPRK" continued.

The speakers said the state budget for 1992 was correctly fulfilled under the chuche-oriented line of socialist economic construction and the wise guidance of the Workers' Party of Korea despite the complicated situation.

They fully approved and supported the state budget for 1993, saying it was drawn as a realistic and encouraging budget which can successfully guarantee with finance the Korean people's heroic efforts to push ahead with the socialist cause of chuche, wholeheartedly accepting this year's tasks set by the great leader President Kim Il-song and the strategic policy of our party.

The third item "On the Adoption of the Law on Underground Resources of the DPRK" was discussed at the session.

Deputy Hong Song-nam, vice-premier of the Administration Council, made a report and many deputies delivered speeches on the item.

The reporter and speakers said the law on underground resources submitted to the session for deliberation was a most advanced and advantageous one which fully embodies the WPK's original policy of underground resources and a chuche-oriented and revolutionary programme to creditably guarantee the socialist system of Korea materially.

The ordinance of the SPA of the DPRK "On the Adoption of the Law on Underground Resources of the DPRK" was adopted with the approval of all the deputies at the session.

The fourth item "On the Endorsement of the Laws Adopted by the Standing Committee of the Supreme People's Assembly of the DPRK during the recess of the SPA" was discussed. Chairman of the SPA Yang Hyong-sop made a report.

The ordinances of the SPA of the DPRK "On Endorsing the Decision of the SPA Standing Committee of the DPRK 'On the Adoption of the DPRK Law on Foreign-Funded Enterprises and Taxes on Foreigners'," "On Endorsing the Decision of the SPA Standing Committee of the DPRK 'On the Adoption of the DPRK Law on Foreign Currency Control'," "On Endorsing the Decision of the SPA Standing Committee of the DPRK 'On the Adoption of the DPRK Law on the Free Economic and Trade Zone'" and "On Endorsing the Decision of the SPA Standing Committee of the DPRK 'On the Adoption of the DPRK Law on Weights and Measures'" were adopted with the approval of all the deputies.

The session continues.

Underground Resources Law Summarized

SK0804112993 Pyongyang KCNA in English 1034 GMT 8 Apr 93

[Text] Pyongyang, April 8 (KCNA)—The law on underground resources of the Democratic People's Republic of Korea was adopted at the Fifth Session of the Ninth Supreme People's Assembly which was held here today.

The law consists of five chapters and 51 articles such as the basis of the law on underground resources, the prospecting, development and use of underground resources, and their guidance and control.

The law stipulates that in the DPRK only the state possesses underground resources and the state develops exchange and cooperation with various countries of the world in their prospecting, development and use.

It supplements and systematizes in an allround way the main content of the existing regulations in the prospecting, development and use of underground resources to meet the requirements of the developing reality.

The law defines it as the basic tasks in prospecting to correctly work out and fulfil the plan for the prospecting of underground resources to meet the growing needs of the national economy, continue to direct big efforts to the prospecting of the underground resources which are scarce or have not yet been found in our country through an allround prospecting and confirmation of all the underground resources, increase the secured deposits at the coal and ore mines and build many more candidate sites of development.

It also specifies the demand for strictly observing the system and order, technological regulations and standard working method in all processes of the development of underground resources and not damaging the land and environment in the course of development and tasks and ways for boosting production in this domain.

And the law defines the tasks to utilize underground resources to fit their uses in a planned way and effectively, eliminate the losses in their storage and transport, process and raise the extraction rate and the gathering rate of valuable components through a comprehensive processing of ores and the order in using the heat of the earth, underground water and mineral springs.

The law on underground resources stipulates tasks to improve state guidance in the prospecting, development and use of underground resources and strengthen the supply service and supervision and control in this domain.

Kim Il-song Promulgates Notice on Law

SK0804111993 Pyongyang KCNA in English 1037 GMT 8 Apr 93

[Text] Pyongyang, April 8 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea promulgated an ordinance on the adoption of the law on underground resources of the Democratic People's Republic of Korea at the Fifth Session of the Ninth Supreme People's Assembly.

The ordinance of the Supreme People's Assembly dated April 8 notes that, under the right policy and correct leadership of the Workers' Party of Korea and the DPRK government, the solid material and technological foundations have been laid for actively prospecting, developing and utilizing rationally the rich underground resources of the country and the raw materials and fuel necessary for accelerating socialist economic construction and enhancing the people's standard of living are supplied by domestic production.

The SPA of the DPRK is adopting the law on underground resources to codify the achievements in prospecting, developing and utilizing underground resources and develop the work in this field still further, says the ordinance.

KCNA Reports U.S. Air Exercises Over South

SK0804071493 Pyongyang KCNA in English 0447 GMT 8 Apr 93

[Text] Pyongyang, April 8 (KCNA)—The U.S. imperialist aggressors on April 6 staged a mid-air refueling exercise in the sky above South Korea with tanker planes brought from their military bases abroad, according to military sources.

The refueling tankers which took off from bases in the Pacific flew into the sky above South Korea that day after mid-air refueling of nuclear-capable fighter-bombers, pursuit and assault planes from overseas bases.

The flying groups from overseas bases joined in a joint ground strike exercise of flying groups belonging to the U.S. Air Force present in South Korea and the puppet airforce against the North in the skies above Anmyon islet, Chungju and Yongwol, South Korea, and tanker planes refueled more than 30 planes of different types in a war exercise.

The war game was aimed at examining the feasibility of long-distance flight of fighter planes through mid-air refueling and the real capability of flying back nonstop after successive strikes at strategic targets in the northern half of Korea upon entry into the Korean peninsula.

In another development, the South Korean puppets incited a war atmosphere by deploying Armed Forces in areas adjacent to the demilitarized zone along the Military Demarcation Line on the same day.

Council Urges Probe of South's 5th, 6th Republics

SK0704061293 Pyongyang KCNA in English 0424 GMT 7 Apr 93

[Text] Pyongyang, April 7 (KCNA)—The Consultative Council of Former South Korean Politicians in the North for the Promotion of Peaceful Reunification issued a statement Tuesday strongly demanding that the new South Korean "Government" thoroughly probe and open to the public the truth behind the murder and human rights violations in the puppet army and immediately punish the principal offenders, if it is a genuinely civilian government which has broken with the "Fifth and Sixth Republics."

The statement notes that human rights violations in the puppet army such as arrest, imprisonment and brutal murder of soldiers in the period of the "fifth and sixth republics" were recently brought to light, causing a public stir.

The statement says:

"The January 1993 issue of the Japanese magazine GUNJI MINRON said in the days of the 'Fifth Republic' of Chon Tu-hwan, 6,393 soldiers tantamount to a divisional force were murdered by corporeal punishment in the puppet army.

"Still more damnable is that in the 'Sixth Republic' of No Tae-u many more soldiers were murdered by corporeal punishment and beatings than under the dictatorship of the 'Fifth Republic.'

"According to a treatise contributed to the magazine military review by tactical instructors of the puppet Army Academy, the annual cases of corporeal punishment and beatings in the 'Sixth Republic' were 25 percent more than the annual average in the 'Fifth Republic' from 1985 to February 1988.

"Nearly all the soldiers murdered in the puppet army were those of student origin with a high level of political consciousness who had participated in the movement for independence, democracy and reunification and, after conscription, opposed fascistization and corruption in the army and attempted to democratize the army and conduct a 'movement for reform in the army.'

"The brutal murder of puppet army soldiers is a never-to-be-condoned heinous crime. We will watch the future action of the South Korean authorities."

Bangladesh Parties' Delegation Visits Pyongyang

Joint Group Holds Talks 6 Apr

SK0704061693 Pyongyang KCNA in English 0524 GMT 7 Apr 93

[Text] Pyongyang, April 7 (KCNA)—Talks were held here Tuesday between the delegation of the Workers' Party of Korea [WPK] and the joint delegation of five parties of Bangladesh.

Present on the WPK side were Choe Tae-pok, alternate member of the Political Bureau and secretary of the Central Committee of the Workers' Party of Korea, Kim Yang-kon, vice-director of a department of the WPK Central Committee, and other officials concerned. On the opposite side were Nir Mal Sen, general secretary of the Central Committee of the Socialist Party of Workers and Peasants of Bangladesh, who is leading the joint delegation, and members of the delegation, Hasanul Haq Inu, general secretary of the Central Executive Committee of the Bangladesh National Socialist Party, A.F.M. Mahbubul Haq, chairman of the Central Committee of the Socialist Party of Bangladesh, Khaleq Zama Bhuixan, chairman of the Central Committee of the Social Party of Bangladesh, and Bimal Viswas, member of the Permanent Committee of the Political Bureau of the Central Committee of the Workers' Party of Bangladesh.

The talks proceeded in a friendly atmosphere. The joint delegation arrived here Tuesday.

Attends WPK Reception

SK0704131193 Pyongyang KCNA in English 0558 GMT 7 Apr 93

[Text] Pyongyang, April 7 (KCNA)—The Central Committee of the Workers' Party of Korea gave a reception Tuesday for a joint delegation of the five parties of Bangladesh.

Speaking at the reception, Choe Tae-pok, alternate Politburo member and secretary of the WPK Central Committee, said today the political parties of Bangladesh are strengthening their parties and, at the same time, conducting positive activities to achieve unity with leftist and democartic political parties and organisations and arouse the masses to the struggle to shape the cause of socialism, a new society, while taking a joint step in winning over and uniting the broad masses behind them. "We highly estimate this and extend full support and solidarity to them," he nnoted.

"We are very pleased with the daily favourable development of friendly relations between the WPK and your parties. We will remain committed to the accomplishment of the common cause of socialism based on the spirit of the Pyongyang declaration to the end and tighten the bonds of closer support and solidarity and cooperation with the political parties of Bangladesh on this road," he stressed.

Head of the delegation Nir Mal Sen, general secretary of the Central Committee of the Socialist Party of Workers and Peasants of Bangladesh, said:

"Today your party is building socialism and communism successfully, upholding the revolutionary banner of chuche under the wise guidance of the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il.

"We bitterly denounce the 'Team Spirit' joint military exercises of the United States and the South Korean puppet clique and fully support the Korean people in their struggle to reunify the country according to the proposal for founding the Democratic Confederal Republic of Koryo.

"We resolutely oppose the clamor for a 'special inspection' of the Democratic People's Republic of Korea. The attempt to impose so-called 'special inspection' at the instigation of the United States is an act which can never be jusoified in view of the international law."

Received by Kim Il-song

SK0804113393 Pyongyang KCNA in English 1041 GMT 8 Apr 93

[Text] Pyongyang, April 8 (KCNA)—The Great Leader President Kim Il-song today received the visiting joint delegation of five parties of Bangladesh headed by Nir Mal Sen, general secretary of the Central Committee of the Socialist Party of Workers and peasants of Bangladesh.

On hand were the members of the delegation hasanul haq inu, general secretary of the Central Executive Committee of the Bangladesh National Socialist Party, A.F.M. Mahbubul Haq, chairman of the Central Committee of the Socialist Party of Bangladesh, Khaleq Zaman Bhuixan, chairman of the Central Committee of the Social Party of Bangladesh, and Bimal Viswas, member of the Permanent Committee of the Political Bureau of the Central Committee of the Workers' Party of Bangladesh. Choe Tae-pok, alternate member of the Political Bureau, and secretary, of the Central Committee of the Workers' Party of Korea, and Kim Yang-kon, Vice-director of a department of the party Central Committee, were also present on the occasion.

President Kim Il-song conversed with the guests in a cordial and friendly atmosphere.

He arranged a luncheon for the guests.

Presents Gifts to Kim Il-song

SK0804113093 Pyongyang KCNA in English 1043 GMT 8 Apr 93

[Text] Pyongyang, April 8 (KCNA)—The great leader President Kim Il-song was presented with a gift by the joint delegation of five parties of Bangladesh on a visit to the DPRK.

Head of the delegation Nir Mal Sen, general secretary of the Central Committee of the Socialist Party of Workers and Peasants of Bangladesh, handed the gift to Choe Tae-pok, alternate member of the Political Bureau, and secretary, of the Central Committee of the Workers' Party of Korea.

PRC Volunteers Help Build Korean War Monument

SK0804111393 Pyongyang KCNA in English 0500 GMT 8 Apr 93

[Text] Pyongyang, April 8 (KCNA)—The delegation of the Chinese People's Volunteers of the Korean-Chinese side to the Military Armistice Commission [MAC] gave a helping hand in the construction of the monument to the victory in the fatherland liberation war on April 7.

The delegation handed a silk banner and aid materials to the builders and gave a performance of stage pieces in congratulation of their achievements.

The delegation planted different species of trees.

Leaving the construction site, the head of the delegation recalled that the armies of China and Korea fought shoulder to shoulder, shedding blood on the same trench in the fatherland liberation war of the Korean people and won a great victory. The monument is being built on the initiative of Comrade Kim Chong-il, supreme commander of the Korean People's Army, the head of the delegation noted, hoping that the builders would excellently complete the monument according to his plan.

Earlier, the delegation visited the victorious fatherland liberation war museum.

Japanese Diet Members Question Ulsa Treaty

SK0804111893 Pyongyang KCNA in English 1017 GMT 8 Apr 93

[Text] Pyongyang, April 8 (KCNA)—Social-Democratic dietmen of Japan accused the Japanese Government of trying to cover up the illegality of the "Ulsa Five-point Treaty" and other old treaties at the Diet, according to a KNS report from Tokyo.

Shoji Motooka, Social-Democratic member of the house of councillors, in the interpellation at the Budget Committee of the House of Councillors on March 23 said that there was no seal of the king of Korea, the sovereign of the state, in the old "treaties" and "agreements" between Japan and old Korea and demanded the clarification of the Japanese Government's view on it.

He held that the Korean policy of Japan must be shaped on the basis of admission that the old "treaties" were a violation of international law and Japanese rule over the Korean peninsula went against morality. He demanded that the government approach the problem of the rights of Koreans in Japan with a stance of dramatic switchover as its first step.

Member of the house of councillors Sumiko Shimizu said that the draft of "comfort women for the army" was a state policy of Japan at that time and the present government must admit this and deeply apologize for it. She demanded that to this end a neutral investigation and research institute be set up by a third party and the Japanese Government authorities actively examine compensations to the victims.

Kim Il-song Receives Iranian President Message

SK0704133193 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 3 Apr 93

[Text] The great leader Comrade Kim Il-song received a reply message from Iranian President 'Ali Akbar Hashemi-Rafsanjani to his congratulatory message sent to President Hashemi-Rafsanjani on the 14th anniversary of victory of Islamic revolution in Iran. The reply message reads:

Pyongyang

To Your Excellency DPRK President Kim Il-song

I acknowledge with thanks receipt of your congratulatory message on the 14th anniversary of victory of Islamic revolution. Our country has played a more important role in the world and international arena by complying with its principles and regulations since this great event.

I believe that DPRK-Iran relations will be further strengthened in conformity with the two countries' interests.

I wish Your Excellency good health. I also wish the Korean people progress and prosperity.

'Ali Akbar Hashemi-Rafsanjani, president of the Islamic Republic of Iran

1 April 1993, Tehran

Kim Chong-il Receives Letters From East Europe Symposium

SK0804045993 Pyongyang KCNA in English 0438 GMT 8 Apr 93

[Text] Pyongyang, April 8, (KCNA)—The dear leader Comrade Kim Chong-il received a letter from participants in the International Symposium on Party Building of Communist and Workers' Parties in East Europe which was held in Bratislava, Slovakia, with the attendance of the Communist Party of Slovakia, the Bulgarian Communist Party (Marxists), the New Yugoslav Communist Movement, the Polish League of Communists "proletariat", the Marxist-Leninist Club of Czechy-Morava Communist Party, the Romanian Party for New Society and the Workers' Party of Hungary.

They in the letter say that the socialist life of the Korean people gives boundless longing for, hope of and confidence in socialism to the peoples of the countries which abandoned socialism.

It is their noble international duty and demand of the times to support and encourage the struggle of the Workers' Party of Korea to defend the bastion of socialism from the ceaseless challenge of the imperialists, they stress.

Noting that the "Team Spirit" joint military exercises staged by the United States together with South Korea was a criminal act to invade and dominate the whole of Korea and Asian coantries, they express full support to the self-defensive measure of the Democratic People's Republic of Korea to withdraw from the Nuclear Nonproliferation Treaty.

They strongly demand that the United States and the South Korean authorities withdraw the U.S. Forces and nuclear weapons from South Korea at an early date and support the stand of the Workers' Party of Korea to reunify the country through confederacy.

They unanimously express their desire to set April 20 when the declaration on defending and advancing socialism was published in Pyongyang as the day of international solidarity among the communists of all countries and the people who aspire after socialism every year.

WPK, Visiting Lao Delegation Hold Talks 6 Apr

SK0704061793 Pyongyang KCNA in English 0527 GMT 7 Apr 93

[Text] Pyongyang, April 7 (KCNA)—Talks were held here Tuesday between delegations of the Workers' Party of Korea [WPK] and the Lao People's Revolutionary Party [LPRP].

Present at the talks on the Korean side were Hwang Chang-yop, secretary of the Central Committee [C.C.] of the Workers' Party of Korea, Chi Chae-yong, vice-director of a department of the WPK Central Committee, and other officials concerned, and on the opposite side were the members of the delegation headed by Thongsing Thammavong, Politburo member of the C.C., the LPRP and chairman of the party's Organizational Committee.

The sides informed each other of their parties' activities and exchanged views on a series of matters of common concern. The talks took place in a friendly atmosphere.

Yi Chong-ok Returns From South Asian Visit

SK0704045693 Pyongyang KCNA in English 0426 GMT 7 Apr 93

[Text] Pyongyang, April 7 (KCNA)—Yi Chong-ok, vice-president of the Democratic People's Republic of Korea, returned home Tuesday after visiting India, Nepal and Bangladesh as a special envoy of the great leader President Kim Il-song. He was met at the airport by Kim Yong-nam, vice-premier of the Administration Council and foreign minister, Chi Chang-ik, secretary of the Central People's Committee, other officials concerned, and S.C. Gupta, charge d'affaires ad interim of the Indian Embassy here.

Kim Yong-sun Returns From Syria-Denmark-Italy Trip

SK0704133293 Pyongyang Korean Central Broadcasting Network in Korean 2300 GMT 6 Apr 93

[Text] Our country's delegation led by Comrade Kim Yong-sun, alternate member of the Political Bureau of the Central Committee of the Workers Party of Korea [WPK], secretary of the party Central Committee, and chairman of the Foreign Affairs Committee of the Supreme People's Assembly, returned home by plane yesterday after visiting Syria, Denmark, and Italy.

Kim Hyong-u, vice director of a department of the WPK Central Committee met the delegation at the airport.

Yi In-mo Receives Hero of DPRK Award at Ceremony

SK0704130293 Pyongyang KCNA in English 0415 GMT 7 Apr 93

[Text] Pyongyang April 6 (KCNA)—The title of hero of the Democratic People's Republic of Korea was awarded to Yi In-mo, a former war correspondent of the Korean People's Army, who is the incarnation of faith and will.

The awarding ceremony was held at the branch of the Korean Red Cross polyclinic today.

Present at the ceremony were Pak Song-chol, member of the Political Bureau of the C.C., the Workers' Party of Korea and vice-president, Chang Chol, vice-premier of the administration council, officials concerned, Yi's family and medical workers.

Vice-president Pak Song-chol pinned the gold star medal and the order of national flag first class on the chest of Yi and handed the certificate of the hero of the republic to him.

Yi In-mo said he could hardly find words to express his thanks to the great general Kim Il-song and the dear leader who bestowed upon him such high appreciation before he made a bow of greetings to them.

He further said:

"I never forgot the great leader and the dear leader even for a moment when I was kept in a dark prison cell for 34 years there in the South after being arrested by the puppets.

"I lived with faith only in them. Please report to them my deepest thanks from the bottom of my heart."

Yi said his wish was to have his diseases cured and leave the sick bed and meet the great leader and the dear leader.

After the awarding ceremony the senior officials inquired after the condition of Yi In-mo, wished him an early recovery and consoled him.

People's Study House Built in Pyongsong

SK0704130193 Pyongyang KCNA in English 0410 GMT 7 Apr 93

[Text] Pyongyang, April 6 (KCNA)—A people's study house is being built at a fast tempo in Pyongsong, the seat of South Pyongan Province, in the central western area of Korea. The house with a total floor space of 7,500 square metres will have reading rooms of different domains, lecture rooms and cultural and welfare facilities.

Modern libraries are under construction in different counties of Korea. Cultural and educational centres for the people have been erected in large numbers in the past thanks to the policy of the Workers' Party of Korea. One of them is the grand people's study house which was opened to the public in April 1982. The ten-storied house with a total floor space of 100,000 square metres has more than 600 rooms and a capacity of storing 30 million volumes. Here emphasis is on lectures on scientific-technological problems, and information, question-and-answer, transcription lecture and reading are combined with it.

It regularly gives lectures on scientific theories, training courses of science and technology and foreign languages, and organizes local lectures at enterprises and construction sites. It has a daily accomodation capacity of more than 12,000 people.

The great leader President Kim Il-song saw to it that the house was built in the best place of the centre of Pyongyang, and named it the "grand people's study house". The Hamhung grand theatre built in the centre of Hamhung city, South Hamgyong Province, occupies a plottage of 60,000 square metres.

Saying nothing should be spared for the working class, the dear leader Comrade Kim Chong-il made sure that a grand theatre was built in Hamhung, an industrial city, and gave guidance to its construction on scores of occasions from the designing to the supply of equipment and materials. And he provided all conditions to ensure the construction on the highest level. This theatre built up in April 1984 is a nine-storied building of a peculiar semi-circular style. It has a 2,500-seat auditorium, more than 800 rooms, cultural and welfare facilities and public service establishments.

The central youth house built in 1989 is situated on the bank of the Taedong river in Pyongyang. It is furnished with 2,000-seat and 600-seat halls, a 250-seat conference room, a hall for a meeting, amusement and rest, and production rooms, over 740 rooms all told. Various functions and meetings, art festival and dancing parties of young people, etc. take place at the house regularly. Besides, there are many cultural and educational centres for the people in all parts of the country, including the Mansudae art theatre, the people's palace of culture, provincial theatres, workers' halls, houses of mass culture.

Kim Il-song Guides Economic Works 6 Apr

SK0704015193 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 6 Apr 93

[Text] The great leader Comrade Kim Il-song gave guidance [chido hada] to works of various domains of the national economy.

On 6 April, Comrade Kim Il-song, the great leader of our party and people, gave guidance to works of various domains of the national economy. On hand were Comrades Kang Song-san, Han Song-yong, So Yun-sok, Kim Tal-hyon, Hong Song-Nam, Kang Hui-won, Pak Nam-ki, Kim Hwan, Kim Pok-sin and Kim Yun-hyok, together with responsible functionaries of committees and ministries of the Administration Council, and officials concerned.

The great leader Comrade Kim Il-song acquainted himself with the actual situation of each domain of the national economy and elucidated concrete tasks and methods for effecting a productive upsurge in socialist economic construction.

The great leader Comrade Kim Il-song put forward tasks for developing the electric power industry.

The great leader Comrade Kim Il-song, noting our electric power industry's great potential today, taught that production of electric power should be increased even further in order to normalize production and to vigorously push ahead with overall development of the national economy.

The great leader Comrade Kim Il-song stressed that operation of hydroelectric power stations and thermoelectric power stations that are under construction should be expedited; repair and maintenance works of power generating facilities should be properly carried out; and we should fully operate power stations by supplying sufficient coal to thermoelectric power stations. He taught that guiding functionaries and the working class of the electric power industry sector should vigorously wage the struggle to increase electric power production by cherishing lofty awareness and a sense of responsibility for being in charge at the frontline of the nation's power and energy industries.

The great leader Comrade Kim Il-song put forward a task for drastically increasing cement production.

The great leader Comrade Kim Il-song, stressing that the demand for cement is increasing with each day, taught that the current production capacity of cement plants should be increased to the maximum and construction of the new cement plants should be completed at an early date so that more cement can be supplied to various domains of the national economy.

The great leader Comrade Kim Il-song put forward a task for developing railway transportation.

The great leader Comrade Kim Il-song stressed that the railway transportation sector faces the task of handling mobilization work of more materials following the vigorous implementation of socialist economic construction, and that the increasing transportation demand should be satisfactorily met by continually and thoroughly implementing our party's policy for railway electrification and for introducing a heavy-duty system into this sector.

The great leader Comrade Kim Il-song put forth the task of normalizing production at Sunchon vinalon complex, which is important in resolving the issue concerning the people's food, clothing, and shelter.

The great leader Comrade Kim Il-song taught: Efforts should be put into farming and, in particular, into gaining bumper crops in South Hwanghae Province, our country's granary.

While saying that South Hwanghae Province has a very important position in producing grains in our country, the great leader Comrade Kim Il-song taught: A new turn should be effected in the South Hwanghae Province's farming by thoroughly implementing the tasks put forth at the agricultural functionaries' consultative meetings held in March.

The great leader Comrade Kim Il-song taught: The mechanization of the rural economy should be further accelerated according to the policy of the rural thesis. The struggle to farm on the cooperatives' own strength without the aid of labor should be accelerated during the busy farming season.

Teachings which the great leader Comrade Kim Il-song gave to guide the various fields of the national economy are a programmatic guidance, which vigorously encourages and arouses all party members and working people to struggle to bring about a great upsurge in socialist economic construction.

Daily Urges Increased Grain Production

SK0504085293 Pyongyang Korean Central Broadcasting Network in Korean 0046 GMT 31 Mar 93

[NODONG SINMUN 31 March editorial: "Let Us Achieve an Upsurge in Agricultural Products by Implementing the Agriculture-First Policy"]

[Text] The great leader Comrade Kim Il-song recently convened several consultative meetings attended by regional agricultural functionaries and functionaries from fields related to agriculture. He pointed to agricultural products from recent years and put forth militant tasks to bring about a new upsurge in production in rural economics by thoroughly implementing the party's agriculture-first policy.

The great leader Comrade Kim Il-song's lesson on giving each province a target for agricultural products and a tangible direction and method for achieving the targets is a programmatic guidance that can effect a momentous turn in agricultural products. Thus, the lesson is a stirring banner that displays the superiority of our country's socialist rural economic system and helps accelerate the victorious advance of our revolution and construction.

Upholding the great leader's programmatic guidance, all party members and working people across the country should rise up in unison to implement the programmatic guidance. The great leader Comrade Kim Il-song has taught: This year, the agricultural sectors should vigorously struggle to increase agricultural products by implementing the chuche-oriented farming method.

Farming is the great foundation of all work. Only when we have bumper crops can we resolve the food issue smoothly by producing various agricultural products, including grain. Only when we constantly increase agricultural products can we build more factories. Only then can we resolve all other issues smoothly.

Proceeding from the importance of agriculture in improving the people's living standard and developing the national economy, our party formulated the agriculture-first policy. Our party has consistently put great efforts into developing the rural economic sector. As a result, we had irrigation and electricity in the rural economy long ago. In addition, our country has vigorously promoted the general mechanization of the rural economy and has used chemicals extensively for the rural economy. As a result, basic progress has been made in resolving the food issue.

The realization of our people's long-cherished desire to eat rice and meat soup, wear silk, and live in a tile-roofed house is the important target that our party has put forth in socialist construction.

We should constantly put great efforts into farming and thus greatly increase agricultural products in order to vigorously promote the grand socialist forward movement while smashing the enemies' new war provocation maneuvers at every step; in order to brilliantly adorn this significant year marking the 40th anniversary of the victory in the war; and in order to bring into full play the superiority of the socialism of our own style centered on the popular masses.

All functionaries and working people should keep in mind that the brilliant achievement of this year's high target for grain products is the most important demand our party has put forward. This is why they should rise up in unison to fulfill the target.

The leading functionaries should regard our party's agriculture-first policy as their firm faith in order to bring about a great upsurge in agricultural production in hearty response to the great leader's programmatic guidance. They should be ideologically mobilized to implement our party's policy.

The tasks assigned to the agricultural fields are enormous. The successful achievement of this year's grain-product target put forth by the party depends on how the leading functionaries, who are in charge of the economic construction, handle the rural economic work and how they lead the rural agricultural economic work.

All functionaries in all sectors of the national economy should remember that farming is glorious work that should be carried out in cooperation with the functionaries in the agricultural sectors. All functionaries of the national economy should have an attitude befitting a master responsible for the people's lives. They should take measures as an organization to implement the party's agriculture-first policy thoroughly.

Whatever they do in any fields, the leading functionaries should above all pay attention to farming. When they discuss production, they should think about implementing the party's agriculture-first policy. Whenever an issue arises that they need to resolve, they should be ready to act to resolve that issue.

In particular, functionaries should properly manage the sowing and rice-seeding work for this year's farming. They should give priority to solving problems in farming.

The great leader's chuche-oriented farming method is the most advanced and scientific. Using science and technology in farming, we can have bumper crops in accordance with our country's climate and soil.

In recent years, some cooperatives in the northern regions and on the east coast greatly increased grain products. This actually shows that when we farm according to the chuche-oriented farming method, grain products can be greatly increased anywhere.

The rural economic sectors should strengthen guidance-control work, so that cultivation of dry and paddy fields, growing and planting rice seedlings, distribution of manure, and irrigation is done according to the chuche-oriented method.

The rural economic sectors should accelerate sowing. They should raise strong rice seedlings by accurately following the technological regulations when they plant the seedlings.

Providing three conditions—variety, water, and manure—is basic to farming. All cooperatives should grow the high-yield varieties in accordance with their specific climate and soil conditions.

Other sectors, including the chemical industry, should operate fertilizer-production facilities at full capacity to produce nitrogenous manure, potash fertilizer, and phosphate fertilizer. They should provide the fertilizers to rural villages in a timely manner. By producing a variety of organic fertilizers, including Hukposan fertilizer and phosphate manure, they will be able to provide them to rural villages.

The rural economic sectors should set up a scientific fertilizing system. By taking into consideration the fertilizer supply, they should correctly regulate the amount of fertilizer. In accordance with regional soil conditions and crops' botanical characteristics, they should use fertilizer in a timely manner.

The rural economic sectors should manage the irrigation system and facilities properly in order to provide water to dry-paddy fields.

Our party has put efforts into completing the general mechanization of the rural economy in order to free the agricultural working people from backbreaking and arduous work.

The machine and chemical industries should produce more efficient farming instruments, including tractors, trucks, machines for granulated fertilizer, machines for making footpaths between rice fields, and machines for scattering fertilizer, suitable to our country's geological conditions and that are an aid to agricultural products. Then they should send them to rural villages.

Our party's consistent policy is to develop the rural economy in many different ways. This is the only way to produce more meat and eggs for the people. In addition, the agricultural working people's incomes can increase.

The rural economic sectors should vigorously struggle to have all farmhouses raise domestic animals, such as pigs, hens, geese, and rabbits, according to the party's demand. In addition, farming villages should scientifically and technologically select, fertilize, and cultivate fruit trees in accordance with the climate and soil conditions. They will then greatly increase fruit products.

Rural villages and other villages should grow many oil-bearing and industrial crops. They should particularly increase the size of and properly manage mulberry trees so that they can increase cocoon production.

Related sectors should work harder to implement the task the great leader gave them of helping rural villages. The sectors concerned should produce various farm materials and equipment and provide them to rural villages. In particular, they should work harder to help farming villages sow, plant, and weed rice seedlings.

The power industry should manage and repair electricity plants in order to provide electricity for water pumping. The transportation sectors should transport farm materials and fertilizers to farming villages in a timely manner. The equipment-supply sectors should provide oil needed for cultivating dry-paddy fields, harrowing fields, and planting rice seedlings in a timely manner.

Enhancing the role of the party's organizations at every level is an important guarantee for achieving a great upsurge in this year's farm products by thoroughly implementing the great leader Comrade Kim Il-song's programmatic teaching.

While guiding the work in the agricultural sectors, the great leader put forth the programmatic tasks and a method to carry out the tasks. Party organizations at every level that are related to agriculture should explain the tasks and the method to party members and the working people. Thus, party organizations at every level can lead the party members and the working people to vigorously carry out the party's agricultural policy, with the spirit and vigor displayed during the state of semi-war. Party organizations at every level should lead the party members and the working people to faithfully uphold our party through grain products.

Upholding the great leader Comrade Kim Il-song's teaching and the party's agriculture-first policy should bring about a new upsurge in this year's farm products by bringing into full play the revolutionary spirit of self-reliance and fortitude. They will thus shine brilliantly in this significant year marking the 40th anniversary of victory in the war.

Daily Urges ROK Workers To Struggle for Wages

SK0304115993 Pyongyang Korean Central Broadcasting Network in Korean 0015 GMT 2 Apr 93

[NODONG SINMUN 2 April special article: "Struggle Is the Only Worthy Way for Man To Live"]

[Text] Slogans like "Workers are also human beings," "Let us live a life worthy of man!" and "Raise our wages!" are pathetic outcries heard from the South Korean workers after the struggle for the Spring wage increase.

Wages are the only source of living for the South Korean workers. It is quite natural for them as creators of social wealth to demand a salary increase—remuneration for their labor. It is a minimum demand for earning their living and a right which no one can take away.

However, even such an elementary right to existence is being mercilessly trampled underfoot in South Korea—a desert of democracy and human rights and the worst labor site at the end of the 21st century. The great leader Comrade Kim Il-song has taught: The South Korean society exists only for the U.S. imperialists and their stooges. However, it is a living hell for the popular masses.

All South Korean authorities have implemented policies to repress workers, freeze wages, and curb wage increases, thus driving the workers' standard of living into misery.

The gross wage system, which they implemented last year but decided recently to abolish because of workers' strong resistance, is representative of such policies. The gross wage system is a murderous wage system designed to keep the workers' wage increase within 5 percent of their monthly wages. In other words, this is a reactionary wage system which blocked wage increases by keeping the wages of South Korean workers at an extremely low level, less than one-third of their minimum living expenses.

The National Federation of Workers Trade Unions [NFWTU] in South Korea demand a 25.4 percent increase in workers' wages. As a South Korean publications pointed out, workers' wages are indeed trifling, far less than the minimum amount needed for sky-rocketing living expenses. Under this condition, the NFWTU demand is the minimum demand for workers to make a living.

Nevertheless, the South Korean authorities implemented the gross wage system which stipulated that workers' wage increases should be limited to within 5 percent of their basic monthly salary. This is a criminal act, which actually blocked the wage increase at its source. Even South Korean publications criticized the authorities for curbing the wage increase by mobilizing all administrative power. Since the gross wage system was implemented, salary increases for South Korean workers have been restrained. Moreover, even their trifling wages were not paid for several months.

According to the South Korean authorities, the wages that business owners evaded paying in recent years increased 10-fold, and the number of workers who were unable to receive wages increased more than five-fold.

In recent years in South Korea, the price of commodities increased drastically by 10 percent in general, and the price of goods in much demand increased by 15 to 50 percent. The price of daily necessities increased sharply at an average of 40 to 50 percent annually. Moreover, some goods increased by even 90 to 120 percent.

The sky-rocketing prices are forcing the workers to raise their minimum living expenses to 900,000 won. A South Korean publication wrote that survival of South Korean workers, who are suffering from low wages, is a miracle in itself. This illustrates that the South Korean workers are forced to lead their lives helplessly. Many South Korean workers carried out the struggle for wage increases by burning themselves to death. This is indeed a just struggle for their own survival amid various hardships.

Nevertheless, the South Korean authorities turned guns and bayonets on the workers, who showed up to struggle for wage increases and for the right to work, making them victims of oppression, and did not accept their just demand, thus committing an atrocious act.

The South Korean authorities and business owners said the crisis in the South Korean economy was caused by the workers' demand for excessive wage increases and by labor disputes. In addition, they openly claimed that workers' wages must be frozen in order to stabilize prices and promote international competition in exports.

It is clear to everyone that this was prompted by their criminal attempt to legalize their murderous low wage policy, to eradicate the labor movement at its source, and to maintain political power by obtaining a financial guarantee from business owners as a reward for offering benefits to them.

The South Korean authorities sacrificed the majority of workers so that a small number of businesses could have political power and wealth. They are attempting to strangle the labor movement by shifting responsibility for the economic crisis onto the workers who called for labor rights and wage increases. Their maneuvers cannot be tolerated.

For the South Korean workers the only worthy way to live is through struggle. If the South Korean workers are deceived by the authorities' cunning and repressive labor policy and fall to their knees, they will be more tightly bound with chains of suppression and exploitation and be unable to free themselves from the hardships of life. The South Korean workers are the creators of the social wealth people need for food, clothing, and spending. Why are they to be deprived of their blood and sweat and bound with the chains of capitalists?

Today's situation, in which the authorities and comprador business owners are collaborating in an attempt to plunder the workers, urgently demands that the South Korean workers, raising high the banner of emancipation of workers, rise as one in the struggle for various labor rights and wage increases.

Although the South Korean authorities and business owners announced that they will abolish the gross wage system, after being forced by workers' strong resistance struggle, this does not mean that everything is resolved.

Unless the repressive and unpopular labor policy and murderous wage-freeze policy pursued by the South Korean authorities are abolished, the workers' demands for wage increases absolutely cannot be fulfilled nor can their living improve.

The South Korean workers should be more organized and courageous in the struggle for a Spring wage increase. Thus, they will accomplish without fail the just demand for democratic freedom and for the right to exist.

Daily Stresses Importance of Functionaries

SK0404134093 Pyongyang Korean Central Broadcasting Network in Korean 0000 GMT 30 Mar 93

[NODONG SINMUN 30 March editorial: "Functionaries Should Struggle Strongly With Overflowing Faith and Fighting Spirit"]

[Text] An important problem in vigorously accelerating the advance to advocate firmly, adhere to, and glorify socialism of our own style is for all the guiding functionaries to deeply cherish in their hearts the victory of faith and indomitable fighting spirit in the revolutionary cause.

The dear leader Comrade Kim Chong-il has pointed out: As long as the leader [suryong] and the party's refined leadership exist, along with the faith in certain victory, we should achieve single-hearted unity overflowing with revolutionary optimism to accelerate socialist construction vigorously. If we do this, we will also glorify more the popular masses-centered socialism of our own style which was defended amid rigorous trials.

Our functionaries are the commanding staff of the revolution, educators of the masses, and mobilizers of the organization. Just as soldiers turn their eyes to their commander when a fierce battle is about to start, party members and workers gain enormous strength and courage from the functionaries' firm determination and work habits. In whatever they do, their performance depends on the functionaries' determination and will.

Functionaries should work with the firm faith that they will be victorious without fail and overflow with ambition and passion. Then all work places will be seething and the whole country will be vibrant with the spirit of innovation.

We must perform the enormous tasks put forth in socialist construction at a time when the imperialists' antisocialist maneuver to isolate and suffocate our revolutionary cause is getting stronger than ever. Because the revolutionary task is heavy and the enemies' antirevolutionary maneuvers are getting stronger, our functionaries need great faith in the future of the revolutionary cause and an optimistic revolutionary spirit.

Our people are vigorously fighting with great faith in having resolutely and victoriously destroyed the U.S. imperialists' and the South Korean puppet clique's aggression and war maneuver. In accordance with our people's ideological and spiritual world, functionaries should vigorously push ahead with socialist construction with more faith and fighting spirit.

What is most important for the functionaries in carrying out the revolutionary task with a firm faith and fighting spirit is to have a deep understanding of the greatness of the party and the leader and of the invincible might of socialism of our own style.

Faith in revolution means having trust in the leader [yongdoja]. Our party has firm faith and a dauntless spirit of offensive. It is smashing the imperialists' military threat and offensive and is leading the socialist cause of our own style along the one road of victory.

As long as the dear Comrade Kim Chong-il leads our party, state, and our revolutionary force, we will have the firm faith that our socialism will be victorious without fail. This is the faith and will which all our guiding functionaries should always cherish in their hearts.

Each heart in our guiding functionaries, who are highly upholding the leadership of the party and the leader in the forefront of the masses, should be blazing with faith in the greatness of the party and the leader.

Amid the practical struggle of organizing and commanding today's large-scale majestic construction march, the guiding functionaries should have a deeper understanding of the party's and the leader's ideology, leadership, and greatness of their trait. They should also firmly prepare themselves to be true loyalists who do not know about betrayal.

If functionaries are to work with firm faith, it is important for them to go deeply into the reality of fulfilling the party policy. People are teachers who give wisdom and faith. Functionaries should go among the popular masses and listen to them so that a breakthrough in the advance can be found, and so that faith to carry out the revolution can become strong.

Our party members and workers are firmly looking toward the brilliant future of socialism of our own style in the magnificent plan and strategy for socialist construction which our party unfolded. They are fighting resolutely along the one road that the party and the leader pointed out.

Our people are truly good people who are endlessly loyal to the party. Whenever there were difficulties in the revolution and construction, the great leader went among the people and gathered faith and strength from their candid voices. He also opened a new road for revolutionary upsurges. Therefore, the guiding functionaries should learn his sacred leadership trait: always to mingle with the masses and share their joys and sorrows.

The revolutionary spirit of self-reliance and fortitude is highly manifested at construction sites, plants, and cooperative farms where they seethe with miracles and innovations. The functionaries should also experience popular heroism from head to foot. Only then can they become standard bearers of the ranks and pioneers of innovations that resolutely overcome any kinds of difficulties.

Our functionaries should make earnest and persistent efforts to understand the revolutionary spirit and optimism displayed by our patriotic forefathers. Revolution and construction are advancing far, and the ranks of the young functionaries who grew up under the socialist system are increasing with each passing day. This kind of reality demands that functionaries should more vigorously launch into the work to learn the high revolutionary spirit displayed by the revolutionary patriotic forefathers.

Even in the worst difficulties of the past, like eating grass and continuing the arduous march, the anti-Japanese revolutionary patriotic forefathers did not lose faith in victory of the revolution. Also, even though they lost both eyes they said that they could see victory in the revolution and resolutely fought the enemies. If this kind of faith and fighting spirit are pulsating in the hearts of the functionaries, they can accomplish anything.

No matter how fierce the battle, all functionaries should embrace the faith of victory. Like the commanders of the revolutionary army who first plowed through the lines of death, they should always stand in the front of the speed battle to lead the masses to greater feats and innovations.

Our functionaries should lead their daily lives optimistically. When singing they should sing revolutionary songs overflowing with faith and emotion. When walking they should walk overflowing with ambition and passion. Living with the spirit of youth is a true way of life for the command staff in the true revolution.

Party organizations should strengthen the work with functionaries if they are to struggle while overflowing with faith and optimism. Through various forms and methods, the party organizations should persistently propagandize the greatness of the party and the leader and also the might of socialism of our own style among the functionaries. By doing so, the functionaries should all be able to fight resolutely with conviction in the invincibility of our revolutionary cause.

In addition, whenever there are difficult tasks, the party organizations should give strength and courage to the functionaries and should discuss ways to overcome them. They should also lead the functionaries to magnificently carry out the revolutionary duty put forth by the party.

KCNA Reviews 8 April Pyongyang Press

SK0804111293 Pyongyang KCNA in English 0457 GMT 8 Apr 93

[Press review]

[Text] Pyongyang, April 8 (KCNA)—Papers here today give frontpage prominence to the full text of "10-point programme of great unity of the whole nation for reunification of the country", a work of the great leader President Kim Il-song.

Taking much space of the press are reports about the Fifth Session of the Ninth Supreme People's Assembly of the Democratic People's Republic of Korea which opened on April 7.

Carried in the press are an account of the opening of the session, a photograph of the platform, a report by deputy Kang Song-san, premier of the Administration Council, and speeches on the first agenda item "on the adoption of the programme of great unity of the whole nation for the independent and peaceful Reunification of the country" and an appeal to the 70 million fellow countrymen adopted at the session.

Appearing in the press are a report of deputy Yun Ki-chong, minister of finance, and speeches on the second agenda item "on the results of the fulfilment of the state budget for 1992 and on the state budget for 1993 of the DPRK".

The press gives an account of the 11th April spring friendship art festival opened in Pyongyang with a large attendance and carries a congratulatory speech made by Premier Kang Song-san at the opening ceremony.

It is reported in the press that the organising committee of the 11th April spring friendship art festival arranged a reception for the participants in the festival and that the participants watched the Korean folk dance suite "song of seasons".

Correction to Foreign Ministry Denounces IAEA

SK0604145893

The following correction pertains to the item headlined "Reaction to DPRK Treaty Withdrawal Continues: Ministry Denounces IAEA Resolution," published in the 6 April East Asia DAILY REPORT, pages 5-7:

Page 6, column one, third paragraph, only sentence, make read... insidious aims to open military facilities [kunsadaesangdurul kaebanghago] in our country... (correcting "remove" to "open").

South Korea

Reaction to DPRK's NPT Withdrawal Continues

ROK To Offer Incentives for Return

SK0804021293 Seoul YONHAP in English 0156 GMT 8 Apr 93

[Text] Seoul, April 8 (YONHAP)—Seoul, in a bid to get Pyongyang to reverse its decision to pull out of the Nuclear Nonproliferation Treaty (NPT), will offer to reduce annual South Korea-U.S. military exercises and increase inter-Korean economic cooperation during a meeting of the Interparliamentary Union (IPU) opening in New Delhi on Saturday. The offer was adopted at a high-level government-ruling Democratic Liberal Party (DLP) meeting Tuesday attended by Foreign Minister Han Sung-chu and DLP members of the IPU delegation, informed sources said Thursday.

Included in the IPU delegation are DLP Reps. Pak Chong-su and Ku Chang-nim and opposition Democratic Party Reps. Cho Sun-sung and Son Se-il. One delegate said the delegation would have dialogue with its North Korean and Chinese counterparts to present Seoul's position on North Korea's nuclear problem and seek a peaceful way to solve this problem in New Delhi.

Meeting with the Chinese delegates, the Koreans will ask Beijing to press Pyongyang to retract the NPT pullout decision and renounce its nuclear weapon development program, noting that North Korea going nuclear would pose a grave threat to peace not only on the Korean peninsula but throughout Northeast Asia. The formation of a South Korea-China parliamentary union will also be discussed at the meeting.

With the North Korean delegates, they will stress the need to solve the problem through direct inter-Korean dialogue, suggesting that if Pyongyang gives up its plan to become a nuclear power that Seoul will work for improved relations between North Korea and the United States and Japan. During the IPU meeting, the South Koreans will also meet with parliamentarians from other countries to solicit their joining in international efforts at North Korea's renunciation of its nuclear weapon development plan.

Seoul May Support UN Sanctions

SK0804103493 Seoul YONHAP in English 1027 GMT 8 April 93

[Text] Seoul, April 8 (YONHAP)—Deputy Prime Minister Han Wan-sang said on Thursday that if the U.N. Security Council chooses to take economic sanctions against North Korea in the days to come, South Korea would go along and support such sanctions. Han observed that the U.N. organization, however, would initially endeavor to dissuade North Korea from withdrawing from the Nuclear Nonproliferation Treaty (NPT) through collective or individual countries' efforts.

"If North Korea does not heed such persuasion, the U.N. Security Council is likely to decide on economic sanctions against Pyongyang about a month later," Han who concurrently serves as national unification minister said. In a special lecture before a seminar of the ruling Democratic Liberal Party lawmakers at the olympic hall, the professor-turned deputy premier said that if economic sanctions were taken, the Seoul government would move in a way that supports such international actions in a policy to keep pace with the U.S. and other major allies. Han also said that although South-North Korean relations are now under a difficulty due to North Korea's nuclear issue, things would improve substantially once North Korea accepts inspections both from the International Atomic Energy Agency and under the proposed mutual inter-Korean inspections.

Kim Chong-il Said Absent From DPRK's SPA Opening

SK0804004793 Seoul YONHAP in English 0026 GMT 8 Apr 93

[Text] Tokyo, April 8 (YONHAP)—North Korean President Kim Il-song attended the opening session of the fifth meeting of the ninth Supreme People's Assembly [SPA], the country's unicameral parliament, on Wednesday but there was no sign of his son and heir-apparent, Kim Chong-il, KYODO news service said Thursday.

In a dispatch from Beijing, KYODO quoted a foreign observer as saying that the absence of the younger Kim was noteworthy because of the rumors that he was to succeed his father as chairman of the National Defense Commission. Kim Chong-il attended the assembly last year and in 1991. Many diplomatic sources said it was premature to think that the younger Kim would take helm of the North Korean military, KYODO reported.

LE MONDE Interviews Kim Yong-sam on DPRK Ties

PM0704154093 Paris LE MONDE in French 7 Apr 93 pp 1, 3

[Interview with ROK President Kim Yong-sam by Jean-Pierre Langellier and Philippe Pons in Seoul; date not given]

[Text] Seoul—South Korean head of state since 25 February, Kim Yong-sam is the first civilian to reach this position in 32 years. This former dissident, aged 65, gave our special correspondents one of his first interviews with the foreign press.

[LE MONDE] After being an active opponent of the various military regimes for decades, on 25 February you became the first civilian president in 32 years. Your coming to power represents a break in Korea's history. In what way will you be different and what will your major government principles be?

[Kim Yong-sam] I have fought, alongside the Koreans, a long battle for our country's democratization. During the 32 years of military rule, human rights and freedom of expression were totally or partially suppressed. But now we have a democratic regime led by a president of civilian origin.

It is true that I am different from my predecessors. But the most important thing is that a civilian regime has been set up with the population's full support. According to recent polls, 70 percent of Koreans are proud of this. That is a striking evolution in the conscience of all Koreans.

But if we are to have true democracy in Korea, we must eradicate political malpractice and corruption. One example: I immediately declared that, during my mandate, I will not accept political funds from the private sector or from private individuals. I have advised everybody to put his money to better use by investing in technology or by improving the lot of the workers.

[LE MONDE] But political parties have to be funded?

[Kim Yong-sam] In the past, parties received and spent enormous amounts of money during elections. This connivance between business and political circles gave rise to tremendous corruption. We will soon be holding three by-elections. Well, I have asked the parties, especially mine, to no longer accept outside funds and to make do with their members' subscriptions.

[LE MONDE] On the subject of corruption, you have acted fast. How far will you go?

[Kim Yong-sam] This cleanup campaign will not be short-lived. It will be one of my government's constant tasks. It will also make it easier to boost the economy. Besides, we are encouraging business circles to earn money legally. But as I said in my inaugural speech, nobody will escape this cleanup. There will be no hiding place.

[LE MONDE] Even in the barracks?

[Kim Yong-sam] Absolutely. The military are also involved.

[LE MONDE] You immediately took certain measures which may have shocked the Army's conservative elements, such as dismissing the chief of staff and the information chief. In your view, do the military still have a political role to play?

[Kim Yong-sam] The Army's supremacy is a thing of the past. Its specific political role is no longer possible. The Army, which has also evolved, is aware of this. Besides, the military are citizens like anybody else. Since the government has the Koreans' broad support, I cannot see why the Army should intervene in the country's affairs.

[LE MONDE] You have come to power at a time when the Korean peninsula is going through a period of tension following the North's decision to denounce the nuclear nonproliferation treaty. What will the basic principles of your policy toward Pyongyang be?

[Kim Yong-sam] We have three. First, we do not want North Korea to increase its isolation from the rest of the world. Second, we will continue our efforts to convince our difficult Northern partner to carry out reforms. Finally, we will pursue direct dialogue with him very patiently.

[LE MONDE] I should imagine that under no circumstances will you accept the North becoming a nuclear power?

[Kim Yong-sam] It is indeed unacceptable that North Korea should one day become a nuclear power. It would be a national tragedy for 70 million Koreans, and a constant threat to peace in Northeast Asia and in the world.

[LE MONDE] South Korea has linked dialogue with the North to the possibility of international inspection of its nuclear sites. Would it not have been better to separate these two issues in order to have more room for maneuver?

[Kim Yong-sam] Inter-Korean dialogue and the inspection of nuclear sites are, quite rightly, two closely linked issues. After all, to solve the nuclear problem it is useful to have dialogue between Koreans. That is why Pyongyang must acknowledge the importance of dialogue with the South instead of seeking interlocutors elsewhere. I am convinced that North Korea must not remain an unhappy country.

[LE MONDE] Why did Pyongyang denounce the nuclear nonproliferation treaty?

[Kim Yong-sam] First, quite clearly, to conceal the status of its nuclear research. Domestic political factors must also have played a part. The problem of Kim Il-song's succession has not been entirely cleared up. Perhaps they wished to gain time by playing a strong card.

[LE MONDE] What can Seoul do to help the North out of this blind alley?

[Kim Yong-sam] We are studying new proposals for the North to emerge from this blind alley and change its policies. Our basic principle remains that of resuming the dialogue which has been interrupted. We will soon be giving details on this subject. As a sign of good will, and for humanitarian reasons, we have just sent back to the North a spy jailed for 40 years in the South. An initiative welcomed by Pyongyang.

[LE MONDE] May we expect a concrete proposal from your government soon?

[Kim Yong-sam] Our proposal will be announced at the right moment. For the time being, for obvious reasons, we cannot give details on the form this resumption of dialogue will take.

[LE MONDE] You responded to Pyongyang's initiative with much calm and moderation. In fact you seem to be more concerned about the risk of the Northern regime collapsing than you do about a renewal of North-South tension?

[Kim Yong-sam] We responded to the North's decision with moderation, although it has major international repercussions. Indeed, we do not want the North Korean political regime to be suddenly dismantled, since that would threaten the whole peninsula's security. That is why we are carefully studying all aspects of this new situation. We will act with moderation instead of responding violently.

[LE MONDE] What role can China play in the search to calm things down?

[Kim Yong-sam] China still has a certain influence with North Korea. That does not prevent it from having good relations with us. And these are currently being strengthened. Indeed our trade is increasing and is approaching $9 billion.

[LE MONDE] How do you envisage the peninsula's possible reunification? Have you learnt any lessons from the example of Germany?

[Kim Yong-sam] Chancellor Kohl, who was in Korea in early March, actually briefed me on the numerous difficulties raised by the reunification of Germany, especially its cost. But I will tell you right now, Korea's case is completely different: We do not want to absorb the North and follow the formula chosen by the Germans. We hope that reunification will take place gradually. Under those conditions, it will not be too costly.

[LE MONDE] Is maintaining the U.S. presence in South Korea still essential for its security?

[Kim Yong-sam] The presence of U.S. forces has played a deterrent role to prevent another armed conflict in the peninsula. Obviously the 35,000 U.S. soldiers will not stay in our country for ever. But for the moment, their presence contributes to the whole region's security.

[LE MONDE] In the economic sphere you made a lot of promises. You have cut interest rates but otherwise you are showing prudence. When do you intend to abolish—as you promised—the practice of bank accounts under false names, which enables fortunes to be concealed?

[Kim Yong-sam] The timetable for this reform must remain confidential. But rest assured: I will do it during my term in office.

[LE MONDE] Korea wishes to join the OECD in 1996. To achieve that, it will have to internationalize its economy, and therefore liberalize its financial system, which means the shattering of the oligopoly made up of large conglomerates (the "chaebols" [word as published]). Do you have a precise timetable?

[Kim Yong-sam] I never called for the "chaebols" to be broken up, I merely suggested changing the way they are run. To face international competition, we need large-scale enterprises. But we must prevent them from suffocating small and medium businesses. The economy cannot be reformed overnight. I hope it will be able to get its second wind in the two years to come.

I have asked all Koreans to close ranks in the face of this ordeal. In the struggle for recovery, psychological factors are important. That is why I have decided to live austerely. Administrative expenditure will be cut by 10 percent. Officials' salaries will not be increased. As for the trade unions, they are behaving in a responsible manner.

[LE MONDE] Korea has been thinking for a long time of getting a high-speed train. Three foreign partners are contending: Germany, France, and Japan. Seoul's choice has already been narrowed down to five companies. Do you envisage a further delay?

[Kim Yong-sam] Our decision has not yet been made on this project, to which France attaches great importance. The date for it has not yet been set, but it will not be delayed. I would like to assure you that our decision will reflect our national interests and international practice. It will be made in an objective and fair manner.

[LE MONDE] How are the plans going for Mr. Mitterrand's state visit to your country?

[Kim Yong-sam] Our diplomats are studying this plan. France has suggested a date in late April or early May. But it has not yet been definitively settled.

Deputy Premier Discusses Reunification Efforts

SK0504143893 Seoul CHOSON ILBO in Korean 5 Apr 93 p 7

[Interview with Han Wan-sang, deputy prime minister and minister of the National Unification Board, by Yun Ho-mi, deputy chief of the Editorial Bureau and chief of the Social Life Department; place and date not given]

[Excerpts] [Yun Ho-mi] The North Korean nuclear issue has finally been brought to the United Nations. This will have a big impact on North-South relations. How will it affect North-South dialogue?

[Han Wan-sang] As we have already said, the door to dialogue is always open. However, our position is that we will accept requests for dialogue from the North only if such dialogue does not adversely affect possible measures taken by the UN Security Council. We are planning to handle this issue flexibly while carefully watching developments.

[Yun] I should have asked this question first. Do you think the North Korean nuclear issue is a North-South issue or an international issue concerning strategies of the United Nations and the United States and other countries?

[Han] Both. I think it is a domestic issue as well as an international issue. Therefore, we must handle this issue prudently. North and South Korea have adopted the Declaration on the Denuclearization of the Korean Peninsula. Therefore, North Korea should not possess nuclear weapons. We have no nuclear weapons. We have no uranium enrichment facility. We have subjected ourselves to international nuclear inspections. Therefore, North Korea must also receive the International Atomic Energy Agency's nuclear inspections. We must examine with a cool head the possibility that North Korea has enough plutonium to build atomic bombs. [passage omitted]

[Yun] What do you think of the Kim Il-song group as a power circle?

[Han] It is very complicated: It has an element of absolute socialist authoritarianism; it may be considered to be a religious group; and it is dynastic. A certainty is: All the power centers on one man. I think this is the North Korean system's strength, as well as its weakness. [passage omitted]

[Yun] When do you think reunification can be achieved?

[Han] If North Korea opens itself up and if we achieve democracy and restore economic vitality without a hitch, reunification can be achieved sometime in this century. If North Korea continues to pursue doctrinist principles, I think reunification will be in the distant future. [passage omitted]

[Yun] When will North-South contacts start? Will any North-South contacts take place before June, considering the North Korean nuclear issue?

[Han] North-South contacts have been taking place in the form of trade through third countries. We will hold official contacts with North Korea to pursue joint cooperation at the United Nations [as published]. If North Korea proposes humanitarian dialogue, we will accept it.

[Yun] Are we trying to hold summit talks?

[Han] I do not think it necessary for us to be hasty in trying to hold summit talks. If progress is made in North-South dialogue, summit talks naturally will be held. North Korea will see our government, which has legitimacy, differently. As a matter of fact, North Korea has been trying to alienate the South Korean authorities from the people. [passage omitted]

President Kim Meets Former U.S. President Nixon

SK0804073793 Seoul YONHAP in English 0522 GMT 8 Apr 93

[Text] Seoul, April 8 (YONHAP)—South Korean President Kim Yong-sam stressed Thursday that the South Korea-U.S. military alliance and the stationing of U.S. troops here were necessary to ensure regional security. Kim made the statement at a luncheon with former U.S. President Richard Nixon at the presidential office of Chongwadae, during which they exchanged views on major international issues. "The United States should have a continued role for regional peace and stability," Kim told Nixon, who arrived Wednesday on a three-day private visit.

Kim is scheduled to meet with British Foreign Secretary Douglas Hurd later in the day and thank him for Britain's position toward North Korea in connection with the North's withdrawal from the Nuclear Nonproliferation Treaty. Kim is to tell Hurd that the Seoul government expects London to participate in international efforts for resolving the nuclear issue more vigorously.

Foreign Minister Han Meets UK's Hurd

SK0804073993 Seoul YONHAP in English 0519 GMT 8 Apr 93

[Text] Seoul, April 8 (YONHAP)—South Korea and Britain agreed on a "gentle but firm" approach to countering North Korea's withdrawal from the Nuclear Non-proliferation Treaty (NPT) in a meeting of their foreign ministers on Thursday. Foreign Secretary Douglas Hurd told Han Sung-chu that his country took North Korea's nuclear program as a "very serious case" but agreed with Seoul's idea of "starting gently" and gradually increasing pressure on Pyongyang, Foreign Ministry officials said after the hour-long meeting.

Britain, one of the five permanent members of the U.N. Security Council, is also an NPT depository country. It and the two other depository countries, Russia and the United States, issued a statement April 1 demanding North Korea's immediate return to the treaty.

Hurd labeled North Korea's action a blatant challenge to the very regime of the treaty and emphasized that China, North Korea's strongest ally, which opposes taking up Pyongyang's nuclear issue at the Security Council, must realize it is in the same boat with the international community, the officials said. He expressed interest in Seoul's position that economic sanctions would be effective against North Korea, they said. Han replied that a trade embargo would have immense effect on North Korea's strained economy and that even if China is passive in joining the embargo, it still holds big leverage because it is the biggest supplier of crude oil to North Korea.

The two foreign ministers extensively discussed bilateral trade issues, with Hurd calling for joint investment in finance and aviation sectors, officials said. Hurd promised a wide range of technology transfer in the aviation industry when joint investment picks up, they said.

Foreign Ministry Seeks Halt to Russian Nuclear Dumping

SK0804074093 Seoul YONHAP in English 0148 GMT 8 Apr 93

[Text] Seoul, April 8 (YONHAP)—South Korea will rush to finish an assessment of damage to nearby waters by Russia's nuclear waste dumping this month and a tripartite survey with Japan and Russia, Foreign Ministry officials said Thursday. An inter-ministerial working-level meeting on Wednesday decided to formally establish a government task force on countering nearly 30 years of radioactive waste dumping in the East Sea and near Kamchatka by the Soviet Union and its successor state, Russia.

A Russian environmental white paper said Moscow tossed more than 144,000 cubic meters of nuclear waste into the sea between 1966 and 1992. Seoul immediately demanded Russia halt the dumping, that it provide full materials on the amounts and locations, and that it cooperate in a joint study for damage assessment. It also asked Japan to participate in a tripartite survey, officials said, and a three-way meeting is likely in the latter half of the year. A South Korea-Russia survey is to precede the three-way consultation, the officials said, with Moscow supplying the survey vessels and Seoul paying for the study.

Wednesday's meeting decided to seek South Korean membership in the London Dumping Convention (LDC) within this year so that it can formally ask world organizations like the International Atomic Energy Agency (IAEA) and the International Maritime Organization (IMO) to take part in the damage survey, officials said.

Russia To Exhibit Space Station Mock-up at Taejon Expo

SK0804102593 Seoul YONHAP in English 0722 GMT 8 Apr 93

[Text] Seoul, April 8 (YONHAP)—Russia will exhibit a life-size model of its Mir space station at the Taejon Expo this summer, and hopes to sell it for 8 million U.S. dollars, the Taejon Expo organizing committee said Thursday. A Russian aerospace company, Chrunichev, will build the model and Kohap Ltd. will bear all the costs of transportation inside the country, estimated at 350,000 U.S. dollars, a committee spokesman said. The Mir, launched in February 1986, is a "T" shape 30 meters wide and 26 meters long. It weighs 127 tons. The model will be divided into 35 sections and flown to Korea in early June by an An-22 military cargo plane in four airlifts and assembled by 21 Russian scientists on its display site by July 12. The transport plane is likely to land at Chongju Airport in North Chungchong Province, which is the most convenient location for road transportation.

"Russia wants to exhibit the model not only to show off its advanced technology, but also to expand scientific cooperation with South Korea," a committee member said. It will be the second time that a model of the space station has been exhibited outside Russia.

Army Readies Engineering Unit Deployment to Somalia

SK0804101393 Seoul YONHAP in English 0104 GMT 8 Apr 93

[Text] Seoul, April 8 (YONHAP)—South Korea will send a 250-man Army Corps of Engineering unit to Somalia instead of combat troops to join the United Nations peacekeeping operation, the Foreign Ministry announced Thursday. The cost of the one-year dispatch is estimated at 15 million U.S. dollars, most of which the United Nations will pay within four to five years, ministry officials said.

Korea's military engineering unit will join the U.N. operation in Somalia (UNOSOM) II, which has more than 30,000 participants from 40 countries. The officials said the government had seriously considered sending military medics and foot soldiers, but decided on a construction engineering unit for financial and other reasons. The government will need approval of the National Assembly after receiving a formal request from the United Nations.

Seoul had been careful in sending its soldiers to overseas missions because of public opposition from lingering memories of South Korea's participation in the Vietnam war. But it opened a way for combat troop dispatch last year, notifying the United Nations it was prepared to send a 730-member unit of medics, military observers and a combat battalion of 540 people when called for PKO participation. Seoul donated 2 million dollars to UNOSOM last February.

Finland Signs Investment Guarantee Pact in Helsinki

SK0804064993 Seoul YONHAP in English 0319 GMT 8 Apr 93

[Text] Seoul, April 8 (YONHAP)—South Korea and Finland have initialed an investment guarantee pact in Helsinki granting national treatment to each other's investors, Foreign Ministry officials said Thursday. The 12-point agreement grants each other the same conditions as nationals on investment and compensation and arranges remittances to the home country. This is the first time that Finland granted national treatment to a foreign country.

The officials said they hoped that the pact would greatly boost Korea's investment in Finland, currently about zero compared to Finland's input of 1.2 million U.S. dollars as of the end of last year. Bilateral trade stood at 280 million dollars last year with Seoul importing 200 million dollars and exporting 80 million dollars. The pact strengthens Korea's economic relations with members of the European Free Trade Agreement (EFTA) when coordinated with the already initialed investment guarantee pact with Sweden.

Government Reshuffles Army Commanders

SK0804020593 Seoul YONHAP in English 0137 GMT 8 Apr 93

[Text] Seoul, April 8 (YONHAP)—The government reshuffled posts of Army commanders involving three generals on Thursday. Lt. Gen. Kim Chin-son, army vice chief of staff, was appointed commander of the Second Army, Lt. Gen. Yun Yong-nam, chief director of central strategic planning, Joint Chiefs of Staff, was named commander of the Third Army, and Lt. Gen. Pyon Chang-won, commander of the Army Training and Doctrine (Tradoc), was appointed the first vice chairman of the Joint Chiefs of Staff, filling a post which had been vacant. All three were promoted to four-star generals.

Gen. Pyon, 54-year-old native of Seosan, South Chungchong Province, was the 18th graduating class of the Military Academy while Gen. Kim (Koesan, North Chungchong), 54, and Gen. Yun (Oryong, South Kyongsang) 51, were the 19th graduating class. Pak Chae-uk, defense ministry spokesman, said Gen. Kim Yon-kak, who had been commander of the Second Army, and Gen. Ku Chang-hoe, commander of the Third Army, will be transferred from active service to the reserve.

The reshuffle had been scheduled for June but was carried out Thursday. Another reshuffle involving commanders of Army corps and divisions will be anounced within this month, the spokesman said.

DLP Adopts Single Leadership System

SK0704133793 Seoul THE KOREA HERALD in English 7 Apr 93 p 2

[Text] The governing Democratic Liberal Party (DLP) yesterday abolished its collective leadership format and adopted a single leadership system in an apparent move to empower President Kim Yong-sam with stronger party leadership. Kim also heads the DLP. The change was made as the party revised its constitution on the leadership format.

The DLP had been led by the party president and cochairmen since it was created in 1990 as a result of a three-party merger. According to the revision, the party has abolished cochairmanship and established a party chairmanship under the direct control of the party president.

The No. 2 man in the party will be appointed by the party president after the approval of party deputies at a national convention, the revision says. The change in the party's leadership structure was necessary to back up President Kim's reform measures, a DLP official said.

Taegu, North Kyongsang Factions Loses Power in DLP

SK0404014993 Seoul THE KOREA HERALD in English 4 Apr 93 pp 2, 5

[By staff correspondent Yi Sung-yol]

[Text] The so-called property scandal in the ruling Democratic Liberal Party [DLP] has resulted in a purge of several lawmakers, and furthered the fall from political power of a group of DLP lawmakers who were close to former governments. This group, centered around "TK" (those formerly in the ruling camp and who are from Taegu and North Kyongsang Province), found themselves the target of the purge following the property scandal in late March.

The once large group, the "Minjong" faction, which was powerful in past governments, has been in the midst of a political whirlwind without daring to protest the harsh treatment it is getting from President Kim Yong-sam and the DLP leadership, who are energetically pushing a wide-ranging reform drive. Most members of the group, who served and benefited under the governments of Presidents Chon Tu-hwan and No Tae-u, both of whom were retired Army generals, are beginning to learn what President Kim meant when he emphasized the "birth of a civilian government" and "creation of a new Korea."

In the government and military, ranking TK officials and their supporters have recently been purged in considerable numbers, and now it is being said that they, the TK figures, have become "scarce" in high-level officialdom. Taegu and surrounding North Kyongsang Province was the political stronghold of ex-Presidents Pak Chong-hui, Chon and No, who all were born or spent their youths there.

It is now realized that President Kim, who has long condemned the "military governments," is determined to sweep away all the negative legacies of previous regimes, in which TK figures and their supporters enjoyed political, social and economic privilege during the past 30 years. Most of the group members used to belong to the now defunct ruling Democratic Justice Party (Minjong), which, along with two opposition parties led separately by Kim Yong-sam and Kim Chong-pil, was merged into the DLP in 1990.

President No, Kim Yong-sam and Kim Chong-pil forged the unprecedented merger, mainly because they wanted to effectively cope with Kim Tae-chung's powerful main opposition force. As for Kim Yong-sam, the merged ruling party was a good base from which to run for the 1992 presidential election.

So he endured challenges and humiliations from many of the Minjong group lawmakers while he served as No. 2 man of the DLP for three years, giving up his 30-year career in the opposition camp. Once he grasped power, President Kim and his followers didn't claim that the DLP had produced another regime; they preferred to say that it was a "transfer" of power, that is, from the Minjong faction to the civilian forces represented by Kim.

Of the six DLP lawmakers who were forced to resign their National Assembly seats or leave the party following the property scandal, five were of the Minjong group, with two of them typical TK figures. The only exception was Yim Chun-won, who joined the DLP from Kim Tae-chung's Democratic Party shortly before the December presidential election. Yim voluntarily left the ruling party to remain an independent lawmaker. Of the five lawmakers subjected to presidential warnings following the property scandal, all were of the Minjong factions.

The two typical TK figures were Pak Chun-kyu, who has resigned as Assembly speaker but refused to give up his parliamentary seat, and Yu Hak-song who has virtually declared retirement from politics. Pak served 17 years as lawmaker of the now defunct ruling Democratic Republican Party up until then-President Pak Chong-hui, who seized power in a coup d'etat in 1961, was assassinated in 1979. He resumed his political life in 1988 when he served as chairman of the then ruling party under President No. Until recently, Pak, 68, called monthly private meetings of six DLP lawmakers elected from Taegu and was known as a senior TK lawmaker. He was from Dalsong, North Kyongsang Province.

Yu, a retired four-star Army general, served in the military for 31 years before he retired in 1980. In December 1979, when he was a lieutenant general, Yu helped Gens. Chon Tu-hwan and No Tae-u arrest Gen. Chong Sung-hwa, then martial law commander and Army chief of staff, paving the way for Chon to seize power in 1980, following the vacuum of power created by Pak's death. Since 1985, he has served as a ruling party lawmaker under Presidents Chon and No and acted as chairman of the Assembly Defense Committee, a post occupied by a retired Army general for the past 30 years.

As if to break tradition, President Kim has appointed a "pure civilian," Rep. Hwang Myong-su, to the post. Now the Minjong group, without any prominent leader, is not so much a real faction as a mere category, as one of its members puts it. They know that President Kim will not tolerate their factional activities.

Since Kim's inauguration Feb. 25, leading TK figures such as Reps. Chong Ho-yong, a retired Army general, and Kim Yun-hwan have been keeping a low profile, holding their breath while the "storm of reforms" passes through. They can see that President Kim's reform drive, often called a "bloodless revolution," is affecting every corner of society—the military, bureaucracy and even business sectors—and feel the times are changing indeed.

Now it is very difficult to tell the exact number of Minjong group members, who used to number over 100 in 1990, because many of them defected to Kim's group, implicitly or explicitly, over the past three years. It is uncertain whether members of the group will some day regain power or will be absorbed in President Kim's politics, but it is certain that they will never be what they used to be.

Lawmakers Suspected of Real Esate Speculation

SK0404120793 Seoul YONHAP in English 0816 GMT 4 Apr 93

[Text] Seoul, April 4 (YONHAP)—Some of the independent lawmakers, who revealed their assets Saturday [3 April], are suspected of real estate speculation and abusing their public status to proliferate wealth. Rep. Cha Su-myong of Southern Ulsan, South Kyongsang Province, declared assets at 2,733 million won, which included 863-million-won home in Nonhyondong, southeastern Seoul, a 100-million-won apartment in Ulsan, and 108-million-won offistel [as received] in southeastern Seoul.

Cha, a former assistant trade and industry minister before joining the United People's Party (UPP), also bought real estates, farmlands, forest, and orchard in Kangwon, Kyongsang, and Kyonggi Provinces under names of his wife and his four children. Rep. Yi Hak-won of Ulchin, North Kyongsang Province, was also under suspicion of real estate speculation as his assets of 2.75 billion won included lands and apartments in Seoul, North Kyongsang and Kyonggi for no special reasons. Rep. Yi Ho-chong of Suwon, Kyonggi, and his wife had real estates of 810 million won and 393 million won in Suwon and Osan, respectively, and 270-million-won shop in Seoul.

Deputy Prime Minister Discusses Economic Plan

SK0804022893 Seoul HANGUK ILBO in Korean 26 Mar 93 p 9

[Interview with Deputy Prime Minister Yi Kyong-sik by editorial staff member Chang Myong-su; place and date not given]

[Text] [Chang Myong-su] Enterprises are still unwilling to invest in business projects. The number of enterprises that have asked for loans decreased greatly in March at a time when a lot of money is probably required for their business activities. Is this because they are not convinced that the new government's economic plan will work?

[Yi Kyong-sik] Our economy has been seriously stagnant since 1980. Our government has emerged in these circumstances. Therefore, we must not expect fast results. The "New Economy" is not an economy of order and control but an economy of self-control and creation. Therefore, our government has lifted various restrictions that shrink enterprises' business activities; has decreased interest rates; has increased the money supply; and has made every effort to improve economic conditions. In addition, attitudes are changing in business to cooperate with the government's will in implementing its economic plan. Therefore, I am not concerned about their unwillingness because of these changes in their business activities.

[Chang] The government has lifted hundreds of restrictions at once. Among them, its alleviation of the restrictions on green belt zones and the regulations that strictly ban businessmen from buying real estate may create problems. What do you think?

[Yi] Every restriction had its own justification. It is our new government's policy that all restrictions should be lifted as soon as possible even if that step creates some ill effects. There will be some complications and adverse effects in implementing the government's economic plan. However, we will regularly examine our economic trend for the next five years and try to make it self-regulating. If we do this, our economy will not be a burden for the next president. Our economic plan is difficult and will require time.

[Chang] Our government's appeal to the people to share the pain in implementing our new economic plan will be accepted differently depending upon social strata. How will you persuade those people who think they were forced to endure the pain during the period of rapid economic growth in the past?

[Yi] The new economy's theory about sharing the pain is an appeal to the people that everyone, from the president to those with low incomes, go forward together, tightening up their belts. Chongwaedae [presidential residence] has already cut its budget. The central government, local governments, and government-run enterprises have also begun to reduce their expenditures on consumer goods. The amount that can be saved from this is estimated to be approximately 1 trillion won for one year. In addition, the government has frozen the wages of government employees and has said the number of employees will not increase. The government will make all possible efforts to stabilize consumer goods prices, so I urge all workers to cooperation with the government's wage stabilization policy.

[Chang] When do you think growth, export, and the balance of international payments will become stable?

[Yi] Our country's economic growth for 1991 was 8.4 percent. In 1992 it dropped to 4.7 percent. During the fourth quarter of 1992 it dropped to 2.8 percent, creating a serious situation. We believe that economic activities for this year's first quarter will be at their lowest, but it will get better in the second quarter. I believe that a 5 percent economic growth this year it will be a success. The most ideal growth is about 7 percent overall, about 9 to 10 percent growth in the manufacturing industry, and 10 to 13 percent growth in export. I believe that we will reach this level in 1994.

[Chang] All past governments have emphasized that they will foster small and medium-sized businesses. However, the fact that small and medium-sized businesses have not developed is regarded as a weak point of our economy. What policy differences does the new government have compared with past governments for fostering small and medium-sized businesses?

[Yi] In the past, conglomerates led the economy, but we now have a firm consensus that without development of small and medium-sized businesses conglomerates cannot develop as well. We are all moving in that direction. For example, the Federation of Korean Industries is supporting the establishment of an institute for small and medium-sized businesses. I will work to strengthen cooperation between conglomerates and small and medium-sized businesses, such as limiting price settlements to 60 days and systemizing support for small and medium-sized businesses. People's viewpoints on small and medium-sized businesses should also change. Not all small and medium-sized businesses will be supported. We should support small and medium-sized businesses by selecting the types that are competitive and that are appropriate only for small and medium-sized businesses. Small and medium-sized businesses should not be viewed as a social policy but as an industrial policy. Statistics show that in Japan 100,000 small and medium-sized businesses go bankrupt, while another 100,000 small and medium-sized businesses are founded annually.

[Chang] I recently interviewed Choe Chong-hyon, chairman of the Federation of Korean Industries. He said: "Businesses are experiencing hardships because of regulations. They also give bribes to make their work easier, and pay high interest rates. Moreover, it is difficult to borrow money from banks. Therefore, how can we foster international competitiveness?" What do you think about his remark?

[Yi] I know for a fact that businesses are in a state of exhaustion. Now the government is resolutely lifting regulations; relations between employers and employees have gotten past the difficult stage; and various indirect tax problems will be improved. It is true that the interest rate is more than double that of other competitive export countries. However, since the interest rate is related to a country's price level and capital requirements, it is natural for countries with a surplus demand to have high interest rates. Price stability should be achieved before lowering interest rates. In 1991 the open market interest rate was 19 percent. However, after the public interest rate was lowered in January, it dropped to 11 percent. Starting today the interest rate was reduced another 0.5 to 1 point percent. We will continue to move in this direction.

[Chang] The four-year term of office for the president of the Bank of Korea is guaranteed legally. Do you not think that a persuasive explanation should be given to the people about the reason for replacing the president? Was former President Cho Sun unsuited for carrying out the new economy?

[Yi] I am not in a position to reveal the reason for it. However, I can say that the new president's philosophy is more compatible with the new government's economic team than the former president.

[Chang] Former President Cho Sun had been insisting that in adjusting money supply and interest rate, political influence should be excluded, but should be entrusted to various functions of the market. How different is the principle of market economy between the new economy and former President Cho Sun?

[Yi] Each person has a different view of today's economy. Some people think that even though slackness continues it should be regarded as an opportunity to strengthen the structure of the national economy to consolidate the basis for stability without any manipulation. Others think that if slackness continues, the potential for growth may be damaged, so economy should be vitalized. We can say that the philosophy of the new economic team is close to the latter.

[Chang] Such views of economic ministers lead many people to worry. There were instances where the government increased the circulation of money and loosened controls under the pretext of activating the economy, resulting in soaring commodity prices and touching off speculative real estate deals, thereby shattering the basis for a stable economy which had been achieved with difficulty. Would this not happen this time?

[Yi] We will push ahead with the activation of the economy to the extent that stable commodity prices are maintained. It is our judgment that under the present circumstances where the overall demand is slack the measures for economic activation will not lead to inflation or speculative real estate deals. Now that we have systematic device, like computerized data, to prevent speculative real estate deals, we do not think the speculative deals will occur as they did in the past.

[Chang] The people have a preconceived idea that the previous governments used the real name system for political purposes without sufficient studies and firm volition to implement the system. Was the new government not too quick in mentioning the system without sufficient preparations and volition?

[Yi] The real name system, when implemented, will bring forth quite a few advantages, such as scraping out the underground economy, fair taxation of succession, donation, interest, and dividends, but an all-out implementation of the system will bring about quite a few side effects as well, such as financial blockage, slump in business, and quite a few small- and medium-size industries going out of business. Therefore, even if we implement the real name system, we will have to consider the appropriate timing and method for it.

As the president made it clear in his new economy idea on 19 March, we will definitely implement the real name system. We will concentrate on the activating the economy this year, and include the real name system next year when we consummate systematic reform. The Ministry of Finance are now working hard on it and will be able to put forward a specific plan by this June. Since the real name system is a very sensitive issue, we have to make preparations for it in a confidential manner although the discussions of it will be made openly. Please understand this.

[Chang] Is it possible that the real name system will not be implemented during President Kim Yong-sam's term of office if the economic situation continues to be hostile to implementing the real name system?

[Yi] Since the people associate this issue with the government's volition for reform, we may lose the people's confidence if we put it off indefinitely, in which case we will face a far more serious adverse effect than the side effects involving the implementation of the real name system. From a pure economic point of view, the implementation of the real name system could wait, but we are fully aware that the reality does not allow us to wait too long.

[Chang] President Kim put forth a number of economy-related promises during his election campaign. When are you planning to review them?

[Yi] When the 5-year new economy plan is completed this June, we will review and make necessary adjustments to the campaign promises in the light of the plan. Since we cannot implement the promises, however good the plan may be, if we do not have the financial source to support it, we will have to make a priority list of them. We will have to frankly explain to the people the revenue and the budget making it impossible to implement certain promises.

[Chang] A great part of the people who voted for candidate Kim Yong-sam during the presidential election were those who wanted stability. Do you think that the president will be able to overcome their pressure in the course of implementing reforms?

[Yi] President Kim has a smiling face, but I feel that he is tough at heart. You do not have to worry because I believe he has a tough enough mind to overcome pressure from anyone.

Seoul To Probe Conglomerates' Trade Practices

SK0704133593 Seoul THE KOREA TIMES in English 7 Apr 93 p 8

[By staff correspondent Sa Tong-sok]

[Text] The government will launch an extensive probe of unlawful trade practices by family-owned business conglomerates. Several business groups suspected of engaging in insider trading among affiliates to a large extent will face special probes, Han Yi-hon, chairman of the Fair Trade Commission, said yesterday.

Han made the remarks in a meeting with planning and coordination officers of the nation's 30 largest business groups at the Korea Chamber of Commerce and Industry building in downtown Seoul. The FTC is now making an analysis of documents presented by the 30 business groups outlining the status of their internal trading.

Among the 30, several groups will be selected to undergo on-spot probes, based on the results of document screening, Han said. It is learned that the business community is keen to know which groups will be chosen. The document screening showed that internal trading in the 30 business groups accounts for 21 percent of the total in terms of purchases and 16.9 percent in terms of sales.

Han said the portion of internal trading is believed to be above what he thought before document screening. According to the FTC, the portion of internal trading in Japan's six largest business groups reaches around 20 percent.

Internal trading among subsidiaries of business groups is generally taken as an evil for small- and medium-size companies because it tends to shut the door to them. It is also criticized for being utilized as a means of evading taxes as subsidiaries,among themselves, used to sell goods at cheaper prices.

In the meeting, Han also clarified his commitment to rooting out irregularities in subcontracting. Specifically, the FTC will bring 50 construction and manufacturing companies under special examination to investigate the status of subcontracting, said Han, a close economic aide to President Kim Yong-sam before the December presidential election.

Small- and medium-size businesses have pleaded for the correction of unfair subcontract deals by saying they were suffering enormous financial setbacks due to prime contractors' imposition of unfair deals. Among those irregularities were failure to pay bills and discrimination against specific subcontractors.

Han asked the planning and coordination officers of the 30 business groups to cooperate in the government's bid to slash cross payment guarantees for bank loans among subsidiaries of business conglomerates. Under the amendment of the Monopoly Regulation and Fair Trade Act, member companies of the 30 business groups will be prohibited from offering guarantees on loans exceeding 200 percent of the equity share.

The latest government steps involving business groups is taken as another round of the new administration's offensive against family-owned business groups following a purification reform in the political circle. The business community worries that the new government may step up its constraints on chaebols stronger than ever in order to ease economic concentration.

Bank Executives' Accounts Probe Stirs Controversy

SK0704133893 Seoul THE KOREA TIMES in English 7 Apr 93 p 9

[By staff correspondent Cho Chae-hyon]

[Text] The Board of Audit and Inspection (BAI) probe into deposit accounts held by State-run bank executives has touched off a controversy on whether it is legal or not. The powerful inspection body is investigating bank executives' deposit accounts with short-term finance companies to see if they are involved in such irregular banking practices as taking "bribes" in return for loans.

However, most bankers say the BAI move to sort out "corrupt" bank executives by investigating their deposit accounts is problematic in the cause of protecting clients rights. They argue that the government is abusing its power in the name of rooting out illegal banking practices. The government action is authoritarian and runs opposite to its commitment to expanding banking autonomy, they say.

Domestic financial institutions, under tight government control, have not enough power to resist government requests to inform it of clients' deposit figures. The BAI requested the Office of Bank Supervision hand over materials on deposit accounts of the suspected bank executives last week.

Current law says that probes into deposit accounts are only possible when the heads of Ministry of Finance, Securities Supervisory Board and Office of Bank Supervision need the data for investigation. Foreign banks operating here hold it a principle not to submit any materials related to clients' deposit amounts to other than the depositors. They never release clients' deposit figures, even if the government requests them, in order to protect clients' secrecy.

Accordingly, Korean clients who want to deposit a large amount of money, used to favor foreign banks. It is rumored that many politicians and rich people hold deposit accounts at Citibank to avoid risks of being exposed to regulators' monitoring.

Many bankers say such a government attitude that auditors could check clients' deposit amounts at any time they want will result in making more depositors turn from domestic to foreign banks. In addition, the probe into deposit accounts will have a negative effect on the government plan to introduce the real-name based financial transactions.

It is customary that depositors who seek to conceal their sources of funds open deposit accounts under aliases. Thus, if the real name financial system is introduced and the government's attitude toward tracing financial assets remains unchanged, most clients who want to make deposits in secret will stay away from banks.

Two commercial bank presidents including Kim Chun-hyop of Bank of Seoul and Yi Byong-son of Boram Bank fell prey to the government cleanup drive last month. Even though they "deserved" to be punished for their irregular banking practices, many bankers complain banking executives have always been the first to feel the government anti-corruption stick so far whenever new administration assumes office.

The government inspection body is checking only deposit accounts with short-term finance companies and may have to investigate deposit accounts with domestic and foreign banks too in order to collect a more accurate picture of financial assets of the suspected executives, which is sure to bring more problems. To put the banking practices on a right track, financial experts say the say the government also needs to scrap its authoritarian attitude toward financial institutions before wielding disciplinary power.

Burma

Constitution Convention Adjourns Until 7 June

BK0704153193 Rangoon Radio Burma in Burmese 1130 GMT 7 Apr 93

[Speech by Lieutenant General Myo Nyunt, chairman of the National Convention Convening Commission, at the National Convention plenary session at the President's House on Ahlone Road in Rangoon on 7 April—recorded]

[Text] Good tidings. Dear esteemed National Convention delegates, the National Convention which began on 9 January 1993 is almost three months old today. During this period the delegates have energetically discussed basic principles on suitable chapter headings for the national constitution. The delegates have lived together in love and unity in the various boarding halls in the Kyaikkasan Grounds while the weather has turned from winter to early summer. In the near future it will be the Thingyan Water Festival and the delegates will have to bid farewell to the old year and welcome the new year. I am satisfied with the relentless efforts made by the delegates in presenting the suggestions in the discussions. Presently we have received the most suitable chapter headings in accordance with the suggestions of esteemed delegates. In the future, suggestions should be made to decide basic principles in accordance with each chapter heading.

I have noticed that some delegates, while deliberating on chapter headings in the discussions, frequently refer to Chapter 20 of the State Law and Order Restoration Council's [SLORC] Notification No. 1/90 issued on 27 July 1990 which stipulates: The representatives elected by the people are those who have the responsibility to draw up the constitution of the future democratic state. In referring to SLORC's Notification No. 1/90, it can be seen that the references are taken partly from here and there according to their desires. Things will be more in context only if Notification No. 1/90 is considered as a whole. Paragraph 18 stipulates: It can be seen from the statements issued that the desire of the majority of the political parties which contested the multiparty democracy general elections is to draw up a new constitution. It will be seen that when the constitution of 1947 was drawn up, matters concerning the national races were discussed only with the Shan, Kachin, and Chin nationals at the Panglong Conference and that they were not discussed with the Mon and Rakhine [Arakanese] nationals. Today in Myanmar [Burma] there are many national races who have awakened politically and it is obvious that it is especially necessary to draw up a firm constitution after soliciting their wishes and views. Everybody knows the current National Convention is seeking suggestions from the national races.

At present, the National Convention has reached a stage where delegates from among representatives elected to the People's Assembly and delegates from various political parties, national races, the peasantry, workers, the intelligentsia, and public service personnel, as well as special invitees, are engaged in collectively discussing and presenting views and suggestions. The fact that delegates from elected representatives and from every strata and walk of life are able to hold discussions at the ongoing National Convention shows that the convention is not contrary to SLORC's Notification No. 1/90 but is successfully fulfilling the objectives. At this stage of political development, it is important the delegates work with trust and belief in drawing the basic principles on chapter headings suitable for the state constitution. The current most important national duty lies on the shoulders of esteemed delegates and on us.

Dear esteemed delegates, regarding the importance of the National Convention, General Than Shwe, chairman of the SLORC, mentioned in his speech at the armed forces' day 48th anniversary parade that our Defense Services, as I have explained earlier, will systematically transfer state power to the people in whom it initially belonged as the situation in the country returns to a firm and stable condition. That is why our Defense Services' aim at present is to assist the emergence of a true democratic system in the country in accordance with the Lawkapasda principle of justice, equality, and freedom.

The National Convention is being held in order to draw firm principles in accordance with the three national objectives—non- disintegration of the union, non-disintegration of national solidarity, and perpetuation of national sovereignty—in framing a firm and strong state constitution. That is why all of us have the duty to fulfill the National Convention's six objectives stipulated in SLORC's Notification No. 13/92. As esteemed delegates are aware, the nature of the National Convention is complex and delicate; it warrants coordination and cooperation from all of us. We have avoided using pressure to achieve quick results on what we think is good and right. We have received the suggestions of the delegates respectfully and with patience.

When time-consuming, patient discussions are held, some describe it as foot-dragging and stalling for time. On the other hand, when the date is fixed to present the report, some critize that there is no time to have thorough discussions and there are limitations on time. On our side, no matter what criticisms we receive, we will carry on with what we have to do. Now, too, in the discussions on chapter headings, some suggest the term legislature should be termed assembly, while there are many who prefer use of the term legislature. Similarly, there are differences of opinion on the terms executive power and the government, and the term head of state and president.

In reality, the term state constitution refers to how the state should be constituted, and since discussions should be based on that, the matters concerning the states will be definitely involved. Esteemed delegates have already known and I feel the delegates and we have the same opinion that it is not right to be rigid regarding chapter headings. The main thing is to be meaningful and that is why, in the future, when discussions are held to write basic principles on the chapter headings, it is important to get the essential facts, and delegates need to study and bear in mind the facts as time permits. How wonderful it would be if you could get the best essence and the best name. I would like to state frankly that time should not be wasted trying to write the best heading while ignoring substance.

Already 15 chapter headings have been chosen in the National Convention and they need further discussion. As everyone is aware, these have very wide and deep meaning. The National Convention will be adjourned for each and every delegate to continue his study to decide basic principles on the chapter headings beginning from no. 1, which discusses general principles concerning the state, to chapter heading no. 2 to no. 15. The original plan was to adjourn the National Convention to avoid the summer heat after discussing about one or two basic principles, but as esteemed delegates have experienced, the April heat is very severe.

Dear esteemed delegates, the alternate chairman of the worker delegates group had suggested adjournment of the National Convention prior to the 3 April 1993 plenary session. Similarly, delegates from the national races group and independent delegates have also suggested the same. That is why we have decided to adjourn the National Convention from 8 April to 6 June. However, the National Convention will reconvene on 7 June and I wish the delegates farewell, hoping to meet again in June in good health and happiness.

Rangoon Denies BBC Report of Delegates' Arrest

BK0804093993 Rangoon Radio Burma in Burmese 1330 GMT 7 Apr 93

[Text] U Marko Ban, an independent elected people's representative from Pekon Township Constituency No. 1, attended the ongoing National Convention from 9 January to 11 January as a delegate from the elected representatives group. When the National Convention was adjourned from 12 January to 31 January, he returned home just like all the other delegates.

He did not returned to the National Convention when it reconvened on 1 February and his National Convention delegate status was revoked by the National Convention Convening Work Committee [NCCWC] in accordance with Chapters 48 and 49 of the National Convention Procedures for absence without cause. It was announced in the National Convention publication issued on 18 February .

Inquiries by authorities, regarding the absence of U Marko Ban at the National Convention, revealed that he was not at his residence in Taunggon Ward, Pekon, so further investigations were made. U Marko Ban left for Loikaw in a passenger coach on 29 January with intent to attend the National Convention but left the coach at Mobye. He next went to Loiyin village, Pekon Township, on 31 January and arrived at the home of his sister, Daw Byu Sit. He then had a conversation with U Pee Re, secretary of the village law and order restoration council. U Marko Ban explained that on 9 January he had blurted out antigovernment words during a conversation with other convention delegates at the hostel and said he had heard 12 delegates had been arrested concerning that matter. He remarked he would also be arrested if he returned to the National Convention and said he was going to join the Karen insurgent organization. He left Loiyin village at about 1200 noon and headed westwards.

According to the BBC broadcast at 2015 on 6 April, U Marco Ban is with the Karen terrorist insurgent organization and he has criticized the National Convention in favor of the insurgents. The station also broadcast his allegations.

It has been learned that no arrests were reported concerning the 12 National Convention delegates as alleged and delegates are free to discuss what they please at the National Convention. The delegates have realized that everything is well-prepared for the convention and the public has also been informed of the progress with press releases.

NCGUB Seeks Return of Minister's Body From PRC

BK0704021593 Bangkok BANGKOK POST in English 7 Apr 93 p 2

[Text] Burma's parallel government has asked Chinese authorities to return the remains and belongings of a minister who was killed in Kunming, southern China at the end of February Burmese dissident sources said yesterday.

The National Coalition Government of the Union of Burma (NCGUB) made the call concerning its late Minister of Finance and Revenue U Win Ko through the Kachin Independence Organisation (KIO), the sources added.

U Win Ko was murdered in his room at the Tea Garden Hotel in Kunming on February 27 after leaving Manerplaw to participate in anti-Rangoon activities in the northeast of Burma at the end of last year.

KIO Central Committee member Tu Ja said Chinese authorities cordially received the NCGUB request but would have to complete police investigations into the case first.

Chinese authorities were shocked by the murder of U Win Ko and are not believed to have played any part in it, Dr Tu Ja said.

There were political motives—linked to the opinions of the NCGUB—in the killing that was the work of Burmese people, he added.

According to Dr Tu Ja, U Win Ko left the KIO headquarters on February 23 to meet a fellow member of the National League for Democracy (NLD) identified as Yan Naung Myint at Mansi, on the Sino-Burmese border.

The two travelled to China together but separated on arriving in Kunming, with U Win Ko checking in at the Kunming Hotel where he stayed until February 26.

U Win Ko then went to Kwangzhou to apply for an entry visa into Thailand and was scheduled to arrive in Bangkok on March 2.

U Win Ko transferred to the Tea Garden Hotel after returning from Kwangzhou on February 26.

The following morning he left his room with a female, English-speaking Chinese guide to meet three Burmese men before returning to be killed that evening.

He was stabbed once in the neck and twice on his abdomen. His passport and camera went missing but US $800 in cash was not stolen, Dr Tu Ja noted.

Also General-Secretary of the Democratic Alliance of Burma (DAB), Dr Tu Ja said the killing of U Win Ko has led dissidents to consider more stringent security measures.

The NCGUB and the DAB are due to discuss stepped up security protection for prominent pro-democracy figures during a meeting scheduled to take place today at Manerplaw.

Aged 45, U Win Ko in 1990 won a parliamentary seat in Sagaing Division, in the northwest of Burma, for the NLD.

He was a co-founder of the NCGUB, which was set up in December 1990, and is led by Dr Sein Win, a cousin of Nobel peace laureate Aung San Suu Kyi, who has been under house arrest in Rangoon for four years.

U.S. Civil Aviation Official Meets SLORC Member

BK0204095393 Rangoon Radio Burma in Burmese 1330 GMT 1 Apr 93

[Text] Mr. Donald V. Schmidt, aviation counselor of the United States of America and the Federal Aviation Administration's director for Asia and the Pacific Region, accompanied by Mr. Donald L. Jensen, U.S. commercial attache, paid a courtesy call on Lieutenant Colonel Tin Tun, member of the State Law and Order Restoration Council and deputy prime minister, at the Office of the Ministers this morning.

During the meeting, they held cordial and frank discussions on regional civil aviation as well as international aviation, an invitation by U.S. federal aviation officials to Myanmar [Burmese] aviation officials, and the desire to provide assistance for civil aviation in Myanmar.

Brunei, Malaysia & Singapore

Malaysia

Minister Proposes Intellectual Property Institute

BK0704091493 Kuala Lumpur Radio Malaysia Network in English 0800 GMT 7 Apr 93

[Text] Malaysia has suggested setting a training institute on intellectual property to cater for the needs of developing countries in Asia. The institute could be modelled along the line of the South Korean-based International Intellectual Property Training Institute. Domestic Trade and Consumer Affairs Minister Datuk Abu Hassan Omar made the suggestion at the dinner for delegates of the World Intellectual Property Organization, WIPO, in Kuala Lumpur.

Copyright, Trademark Legislation To 'Safeguard' Industry

BK0704131093 Kuala Lumpur NEW STRAITS TIMES in English 6 Apr 93 p 5

[By Syed Abu Bakar]

[Text] Kuala Lumpur, Mon—The Trade Marks Act 1971 and Copyright Act 1987 wil be amended to further safeguard industrial property in the country, Domestic Trade and Consumer Affairs Minister Datuk Abu Hassan Omar said today.

He said they would be made compatible with the Paris Convention (Amended) 1970 which safeguards the rights of patents, designs and trademarks.

Abu Hassan said the current Acts were inadequate and had to be amended.

He also said the Government would introduce the Industrial Design Act next year.

Speaking to reporters after opening the three-day World Intellectual Property Organisation (WIPO) Asian region round table on the development of an effective industrial property system at Hotel Istana, he said the amendments to the Trade Marks Act would be made next year while certain amendments to the Copyright Act would be tabled in Parliament in July.

"The Copyright Act will be amended in stages with only one or two aspects that need urgent attention to be amended in July. A study will be made to determine which other aspects should be amended later," he said.

Abu Hassan said the overall amendment to the Copyright Act would need a massive exercise and could only be carried out next year.

He reminded publishers whose books were being illegally printed to report to the enforcement division of his Ministry.

He said the Ministry was still studying the amendments to be made to the Trade Marks Act and this was expected to be completed by the end of the year.

The Act was enforced in 1983, which made it possible to file a single application for protection throughout Malaysia.

Applications had to be filed separately for Peninsular Malaysia, Sabah and Sarawak before this.

On the Industrial Design Act, he said the time had come for its introduction in view of the increasing number of designs being produced.

"We have to protect the works of Malaysians in the country and abroad," he said.

Earlier in his speech, Abu Hassan said the protection of industrial designs from Peninsular Malaysia was currently legislated by the United Kingdom Designs (Protection) Ordinance 1946.

Abu Hassan said research and development activities were still at a developing stage in this country and Malaysia depended heavily on foreign technology suppliers.

"This is done through direct foreign investment and the purchase of knowhow," he said.

He said both these means had their limitations and Malaysia was encouraging local scientists and technologists to produce commercially-viable innovations.

The round table was attended by 80 participants from Asian countries.

Kelantan Chief Minister Opposes 'Anti-Federal' Move

BK0704123693 Kuala Lumpur NEW STRAITS TIMES in English 6 Apr 93 p 2

[Text] Kota Baru, Mon—Menteri Besar [Chief Minister] Nik Abdul Aziz Nik Mat said today he is against any attempt by any quarter or institution to fan anti-Federal sentiments in the State.

He said such moves were against the State policy, especially after the State Government had decided to adopt a stand to have good relations with the Federal Government.

Nik Aziz said he was not aware of and did not believe that a meeting to direct State officers to carry out anti-Federal measures was convened as alleged by Youth and Sports Minister Datuk Annuar Musa.

"To my mind, if there was a meeting chaired by State Secretary Datuk Abdul Razak Salleh, surely it was not aimed at fanning anti-Federal sentiments.

"Abdul Razak is the most senior State civil servant and he is aware of the State policy and stand towards the Federal Government.

He was commenting on reports on Friday quoting Annuar as saying that the Kelantan palace had instructed district and senior State officers to obstruct Federal Government activities in the State.

Nik Aziz also said that Deputy Prime Minister Ghafar Baba had challenged the integrity of the Syariah Court [Muslim court that deals with religious law] when he questioned the court's right to try the case of Sungai Pinang Assemblyman Nordin Salleh who faces two counts of insulting a State religious official.

He said Ghafar should not question the Syariah Court's right to try Nordin's case, which is to be heard on April 10, because the court's judges were competent individuals.

"They are university graduates, well-versed in the syariah laws [Islamic religious laws]."

He said when the Kelantan Government adopted the anti-party hop law and expelled Nordin and Limbongan Assemblyman Wan Mohamed Najib Wan Mohamed, the matter was taken to court.

"At that time, Ghafar, Nordin and almost all Umno [United Malays National Organization] and Federal leaders seemed to have high regard for the court's independence.

"But now, when the Syariah Court decides to take action against Nordin for allegedly insulting a State religious official, Ghafar decides to question the integrity of the court."

Central Bank Notes Revenue Increases for 5th Year

BK0204112893 Kuala Lumpur NEW STRAITS TIMES in English 31 Mar 93 p 20

[Text] The consolidated financial position of the public sector remained favourable in 1992 although slightly weaker than the 1991 result.

This was attributed to good revenue performance amid a moderate expansion in budgetary operations.

The report said the consolidated revenue of the general government comprising the Federal Government, 13 State Governments, statutory bodies and local governments recorded double-digit growth for the fifth consecutive year, increasing by another 11.4 percent to RM47.4 billion [Malaysian ringgit] in 1992.

During the same period total operating and development expenditure of the general government expanded by 12.3 percent to RM48.7 billion.

For 1993, the report said the overall financial position of the public sector was expected to be less favourable with prospects of slightly weaker revenue collection and sustained increase in development expenditure.

The aggregate current surplus was projected to be moderately smaller at RM17.4 billion compared with

RM18.1 billion in 1992 in view of a likely smaller decline in revenue and marginally higher operating expenditure.

With the continued implementation of several large projects in 1993, the report said development expenditure was expected to grow by another 20.8 percent to RM23.5 billion.

Consequently, the overall deficit of the public sector was projected to widen to RM6.1 billion or 3.5 percent of GNP.

However, the report said the actual result was likely to be more favourable, arising from shortfalls in spending and the generally conservative revenue forecast.

As for the Federal Government its revenue expanded by 15.3 percent to RM39.3 billion in 1992.

The report said the strong revenue performance emanated from all three broad categories—direct taxes (RM2.1 billion), non-tax revenue and non-revenue receipts (RM2.3 billion) and indirect taxes (RM790 million).

The Federal Government's operating expenditure in 1992 expanded by 18.5 percent to RM37.1 billion. Total wage bill which rose by 20 percent to RM11.9 billion remained the largest component of operating expenditure.

Gross development expenditure in 1992 increased marginally by 1.3 percent to RM9.7 billion, in tandem with the Government's policy to contain its expenditure at the ceiling of RM55 billion under the Sixth Malaysia Plan.

As a result of the healthy financial position, the Federal Government's total net borrowing turned negative for the first time, registering an outflow of RM1.7 billion in 1992 against net inflow of RM3.3 billion in 1991.

The Federal Government's debt also recorded its first decline when it dropped to RM97 billion in 1992, down 2.1 percent.

Domestic debt rose by only 3.3 percent to RM76.1 billion in 1992 compared with a 5.2 percent expansion in 1991.

Malaysian Government Securities, amounting to RM66.6 billion continued to account for the largest share of domestic debt outstanding.

The external debt of the Federal Government fell substantially by RM4.5 billion or 17.8 percent to RM20.9 billion in 1992.

The report said the absence of external market borrowing, large scheduled loan repayments, the resumption of the external loan prepayment programme and exchange revaluation gains of RM1.4 billion arising from the strengthening of the ringgit contributed to the significant reduction in external debt during the year.

Interest payments in 1992 also fell further to 19 percent of Federal revenue from 21 percent in 1991.

The report expects prudent debt management policies to continue to benefit the nation in terms of lower principal repayments and interest payments over the next several years.

Palm Oil, Timber Output Expands

BK0204123693 Kuala Lumpur NEW STRAITS TIMES in English 31 Mar 93 p 20

[Text] Compared with a virtual stagnation in 1991, the agriculture, forestry and fishery sector expanded by 2.6 percent in 1992 in terms of value-added growth.

The report said except for rubber and cocoa, other major primary commodities such as palm oil and sawn logs registered positive growth during the year.

Palm oil output rose by 3.8 percent compared with 0.7 percent in 1991.

The report said after the 0.6 percent growth in 1990 and 0.7 percent in 1991, crude palm oil production increased by 3.8 percent to 6.4 million tonnes last year.

However, the increase in production was affected by replanting and lower yields.

As at the end of 1992, total area under cultivation was about 2.1 million hectares, an increase of 2.4 percent over the previous year.

Production of sawn logs increased by 7.5 percent to 43.3 million cubic metres in 1992 against a growth of 0.4 percent or 40.3 million cubic metres in 1991.

Accordingly, production of sawn timber grew by 9.1 percent to 9.7 million cubic metres, compared with 1.9 percent in 1991.

The production of fish and livestock grew by two percent and eight percent respectively.

In contrast, rubber production fell by three percent to 1.2 million tonnes due to poor export demand and weak prices, the decline in cultivated areas and labour shortage.

Paddy production dropped by 3.9 percent to 1.7 million tonnes. Apart from the decrease in planted area, the long, dry season in several major paddy planting areas also contributed to the lower output for the year.

Production of cocoa, copra, coconut oil and pepper continued decline in 1992.

Cocoa production fell by 13 percent to 200,000 tonnes due to several factors.

Editorial Accuses Banks of Greed, Neglecting Consumers

BK0704144793 Kuala Lumpur NEW STRAITS TIMES in English 6 Apr 93 p 12

[Editorial: "The Charge Is Greed"]

[Text] For two years, banks have whined about their increased operating and maintenance costs. For a long time now, those indebted to banks have had to break their backs servicing their loans. For a long time now, consumers have had to put up with traipsing around from one ATM [automated teller machine] to the next looking for a machine which works. For a long time now, bank customers have had to put up with bank advertisements which depict how easy it is to secure loans and how ridiculously friendly bank staff are. And now, banks appear to be on the verge of charging for the services which they provide.

They point out how heavy users of their ATMs and those who issue lots of cheques and make balance inquiries inconvenience them and how unfair it is that they have to pass on the costs of providing these services onto borrowers. They reason that by imposing service charges, the costs of providing their services will be reduced and the increased benefits passed on to consumers, including current account holders, depositors and borrowers.

To ensure that banks will not overcharge, they proposed that Bank Negara Malaysia [Central Bank] should impose a ceiling on the charges. This is meant to reassure the public that they will not be held captive to bankers' greed. This also presumes that no surreptitious cartel develops which will effectively make the consumer a captive consumer. The central bank has pledged that it will step in if all banks imposed the maximum charges it is setting for them.

To a certain extent, Bank Negara's requirement that banks should offer a certain number of free transactions monthly, reduce interest on loans and pay interest on current accounts before any new charges can be imposed will ensure that banks keep to their word as regards the "justification" for these charges.

Even then, it has to bargain with the banks, with some banks disagreeing to the conditions. Consumers hope that Bank Negara will stick to its stand for it is the last but one bastion that banks have to conquer before they make their charge. The last holdout will come from the consumer movement.

Bank Negara's 1992 annual report reveals that the 37 commercial banks in the country recorded an 18.5 per cent rise or RM [ringgit Malaysia] 308.7 million in unaudited pre-tax profit to RM2 billion for the 1992 financial year. In 1991, the increase was 24.5 per cent over that of the previous year and in 1990, it was up 50 per cent from 1989. Have banks considered that they make their fortunes from depositors' monies, for which depositors earn what can truly be described as "only the tip of the finger?"

Imposing the charge only on heavy users might also appease those consumers who can do with fewer transactions, but what about those who can't? Businesses for example will be the hardest hit and when their costs go up, we all know that business ethics dictate that they will pass them on to the consumer.

Eventually, despite the assurance that only large volume users will be the targets, all consumers will pay the price.

Banks are still working out the details, presumably about the fees to be charged and the mechanics of it, so consumers can only wait to see how and from which direction they will be hit. Meantime, there is assurance from the central bank that "we will watch them." Consumers should also flex their freedom of choice. They could perhaps clamour for longer banking hours, better ATM machines, faster service. They could insist on their consumer rights.

UK Minister Stresses Commitment to Free Market

BK0504150193 Kuala Lumpur Radio Malaysia Network in Malay 1300 GMT 5 Apr 93

[Text] Britain has renewed its commitment to the creation of of a free and open market. Britain also wants to see agreements reached at the GATT talks, also known as the Uruguay Round of multilateral trade talks. Mr. Alastair Goodlad, British minister of state for foreign and Commonwealth affairs, who is visiting the country, said the British Government was committed [preceding word in English] to the success of the talks. He was delivering a lecture at the Diplomatic and Foreign Relations Institute in Kuala Lumpur today. He said Britain would continue to do its best to achieve the objective. Mr. Goodlad said Europe needed to trade with other countries and added that Britain was satisfied with ASEAN's efforts to establish the ASEAN Free Trade Area, AFTA.

Singapore

Indonesian Air Force Staff Chief Arrives

BK0704121693 Singapore Singapore Broadcasting Corporation in English 1100 GMT 7 Apr 93

[Text] The Indonesian Air Force Chief of Staff Air Chief Marshal Sibun Dipomojo [title as received] today called on the minister for defense, Dr. Yeo Ning Hong. Earlier, Air Chief Marshal Sibun was presented with the Republic of Singapore Air Force honorary wing by the Chief of Air Force Brigadier General Tay Kok Khiang. Air Chief Marshal Sibun is here on a three-day visit.

Group Plans To Develop PRC Industrial Park

BK0404133393 Singapore BUSINESS TIMES in English 3 Apr 93 p 1

[By Yong Pow Ang]

[Text] Singapore—Maya Group, the sister company of Pacific International Lines, is developing an industrial park in Chongqing to attract Singapore's small and medium-sized enterprises that want to relocate their factories to China.

The park covers 4.8 square km of land in the Chongqing Economic and Technological Development Zone. Estimated to cost US$100 million (S$163 million), the project will be completed in several phases.

Maya's managing director Y.F. Chang told BT [BUSINESS TIMES] yesterday that a memorandum of understanding will be signed today with a Chongqing government team currently in Singapore to promote investment. He added that a Singapore government agency has expressed interest in the project.

Chongqing is in Sichuan province in south-western of China. The city has a population of 15 million.

While Shanghai is developed as the "dragon head" of the Yangtze River, Chongqing is described as the dragon's tail because it is situated upstream.

At a seminar organised by the Trade Development Board, Chongqing's vice-mayor Zhang Biguo [name as received] said yesterday that the city is rich in mineral resources, strong in industrial and defence technology, and is a net supplier of agricultural products. What the city lacks is financial resources to further its economic development, he said.

Mr Chang of Maya encouraged Singapore businessmen to consider investing in China's inner provinces, especially in the relatively undeveloped south-west region.

Although transport infrastructure in these provinces is inferior to that of the coastal cities, this can be more than compensated by other benefits such as "more understanding authorities" and "more flexible policies".

Mr Chang said the Chonqing government has assured him that foreign investors in the industrial park will be allowed to sell more in the domestic market. Sichuan province itself is a big market with a population of 109 million.

Foreign investment in the inner provinces accounts for only 20 percent of the total investment in China. Most of the investment is concentrated in the coastal cities, especially in Guangdong province.

"The hot investment spot does not necessarily mean that it is the the best place," said Mr Chang, who has put his money where his mouth is. The Maya Group has invested more than US$10 million in 14 manufacturing plants in China since 1986. It has also formed five trading firms in Singapore with Chinese companies.

Maya is among the pioneers in investing in south-west China. It has spawned three manufacturing ventures in Yunnan and four in Guizhou. It plans to invest in a factory in Chongqing to make insecticides and another to bottle mineral water. The group chalked up a turnover of US$300 million last year.

Singapore government-linked companies have also been taking a closer look at the south-west of China because of its untapped potential. They have interests in a golf course and holiday resort in Kunming, which is connected to Singapore by a direct flight.

Cambodia

Gunmen Kill Japanese UN Electoral Officer

BK0804041493 Hong Kong AFP in English 0407 GMT 8 Apr 93

[Text] Phnom Penh, April 8 (AFP)—A Japanese U.N. electoral officer working in central Cambodia was shot dead Thursday by unidentified assailants, U.N. officials said. The man was travelling by road from his district in Kompong Thom Province with an interpreter towards the provincial capital when he was "intercepted" by unknown assailants about 8:30 a.m. (0130 GMT), said the official, who could not be identified. The interpreter was injured and taken to a nearby hospital, the officials said. Sources in Phnom Penh said the attack was believed to have been carried out by the Khmer Rouge. The man was the first Japanese to be killed in hostile action in Cambodia. Assaults by suspected Khmer Rouge guerrillas have claimed the lives of five other U.N. peacekeepers in the last 10 days.

U.N. Secretary General Butrus Butrus-Ghali, on a two-day visit to Cambodia, cancelled his scheduled press conference. After his arrival here Wednesday Butrus-Ghali told warring faction leaders to exchange their guns for ideas and participate in the May election that risks being the "last and only chance" for stability in Cambodia.

The radical Khmer Rouge refuse to rule out violent disruption of the election and have been conducting an ethnic cleansing campaign against Vietnamese settlers as well as targetting U.N. personnel. Butrus-Ghali's arrival kicked off the beginning of the election campaign for the May 23-27 polls. The Khmer Rouge are refusing to participate, saying for 10 months that the occupying Vietnamese be expelled from the country first. Butrus-Ghali, who is to leave for Bangkok later Thursday, said it was "deepy regrettable" that the Khmer Rouge had refused to cooperate with the U.N. Transitional Authority in Cambodia (UNTAC).

Japanese Foreign Minister Comments

OW0804053393 Tokyo KYODO in English 0442 GMT 8 Apr 93

[Text] Phnom Penh, April 8 KYODO—A Japanese United Nations volunteer in Cambodia to help with election monitoring was killed by an unidentified man Thursday morning in the central province of Kompong Thom, a U.N. spokesman said. The Japanese was identified as Atsuhito Nakata, 25. He was riding in a vehicle belonging to the United Nations Transitional Authority in Cambodia when the attacker fired on it with a gun, the spokesman said. A Cambodian interpreter also was seriously injured. Nakata went to Cambodia last July as one of 30 Japanese U.N. volunteers. More than 400 U.N. volunteers are working in the war-torn country. He is the first Japanese killed in Cambodia while helping U.N. activities in the country. A Bangladeshi and three Bulgarian peacekeepers in Cambodia have been killed since late last month. UNTAC has blamed the killings on the Khmer Rouge.

Japan sent 600 peacekeeping troops last October as the first overseas dispatch of ground forces since the end of World War II. The Japanese troops are engaged in rebuilding roads and bridges in southern Cambodia as well as helping in the election. The U.N. volunteers, however, are civilians.

The campaign for the May general election under the supervision of UNTAC began Wednesday. The campaigning for the election, scheduled to be held May 23-28, will continue until May 19. The Khmer Rouge, the only faction that has refused to disarm and demobilize its troops, has said it will boycott the election. A Khmer Rouge spokesman Wednesday criticized the beginning of the campaign. He said Cambodia is still occupied by Vietnam and the general election is being forced upon the country before the political situation is completely neutral. The spokesman said the faction will do anything to bring about a true and fair election but did not elaborate on whether it would obstruct the election.

Responding to the incident, Japanese Government sources in Tokyo said Japan has no plan to withdraw its troops from Cambodia. Foreign Minister Kabun Muto told reporters that the Khmer Rouge faction under the leadership of Pol Pot was most likely responsible for the incident. "The Pol Pot faction probably did it, even though it is a party to the cease-fire agreement," he said, referring to the 1991 accord which ended most of the fighting in Cambodia. Muto said he was informed of the incident while he was engaged in talks with visiting Singapore Foreign Minister Wong Kan Sen. Asked if the incident would make it more politically difficult for the government to press ahead with involvement in U.N. peacekeeping, Muto said, "this (incident) is an issue that is not directly related" to the debate. He expressed hope that Japanese peacekeeping forces in Cambodia would take greater caution and continue to be diligent in their work.

Muto said the Khmer Rouge is presenting an obstacle to holding smooth elections, adding that Japan will consider what role it can play in rectifying the situation. He hinted that perhaps the election should have been delayed, saying "I wonder if there could not have been more consideration about the timing."

Tokyo TV Details Attack

OW0804065893 Tokyo NHK General Television Network in Japanese 0425 GMT 8 April 93

[Excerpt] A UN Transitional Authority in Cambodia [UNTAC] spokesman held an emergency news conference today and disclosed that at around 0130 GMT today, Atsuhito Nakata, a 25-year-old from Kusaka town, in Higashi Osaka, who was engaged in monitoring election activity in Kompong Thom Province, in central Cambodia, as a Japanese volunteer working for the United Nations, was shot dead by an unidentified person when he was travelling by car.

Nakata has been working in Prasart Sambo, in Kompong Thom, located in central Cambodia, since last summer as a UN volunteer. He was taking part in preparatory work for the general election, which started yesterday, under UNTAC supervision. His work included explaining the signifiance and system of the elections to local people. Nakata was shot dead on the way to Kompong Thom city, the provincial capital. He had a Cambodian interpreter with him, who was reportedly injured and brought to a nearby hospital.

According to information sent from the Japanese Embassy in Cambodia to the Foreign Ministry, a Japanese volunteer taking part in publicity work in Kompong Thom Province was shot dead. It says that this was confirmed by UNTAC and that the man belonged to the UN Volunteers and was engaged in publicity work in preparation for the election. This is the first time that a Japanese person has been killed in the course of UN activity in Cambodia.

Chief Cabinet Secretary Kono left the lower house plenary session and returned to the prime minister's official residence a little while ago. He told reporters that the dead man was a 25-year-old UN volunteer. He said that the government is trying to get detailed information and that they will comment as soon as it confirms the incident. [passage omitted]

Khmer Rouge Suspected

BK0804062893 Hong Kong AFP in English 0608 GMT 8 Apr 93

[By Sheri Prasso]

[Excerpts] Phnom Penh, April 8 (AFP)—Suspected Khmer Rouge guerrillas Thursday ambushed and shot dead a Japanese U.N. electoral officer working in central Cambodia, U.N. officials said. U.N. Secretary General Butrus Butrus-Ghali, on a two-day visit to Cambodia, abruptly cancelled his scheduled press conference, but a spokesman said the latest killing of a U.N. peacekeeper was not the reason. The man, identified as Atsuhito Nakata, 25, was travelling by road towards the provincial capital of Kompong Thom from his district 30 kilometers (19 miles) to the northeast with an interpreter when they were "intercepted" about 8:30 a.m. (0130 GMT), U.N. officials said.

The gunmen raked the U.N. vehicle with gunfire, killing him and critically wounding his interpreter, U.N. spokesman Eric Falt said. Falt said the attackers were "unknown," but sources in Phnom Penh said the attack was believed to have been carried out by the Khmer Rouge based on the location and previous guerrilla activity in the area. Atsuhito was the first Japanese to be killed in hostile action in Cambodia. His death raised questions about Japan's military involvement in the peacekeeping operation, which was strongly opposed by some political factions in Tokyo before being marginally approved by the Diet, Japan's parliament. The 600-man Japanese military engineering battalion, however, is based 280 kms (175 miles) south of Kompong Thom. [passage omitted]

Japan has 27 people working as U.N. electoral supervisors under a program called the United Nations Volunteers (UNV). UNVs receive about 800 U.S. dollars per month in exchange for carrying out most of the work for the election campaign, including registering the 4.7 million voters and carrying out information campaigns to bring out the vote.

"They are dedicated individuals who came to Cambodia to advance the cause of peace," Falt said. "They are spread throughout Cambodia in small groups and are the most defenseless against such cowardly attacks."

In an interview Saturday with the FAR EASTERN ECONOMIC REVIEW, Khmer Rouge nominal leader Khieu Samphan criticized Japan's involvement in Cambodia. "If the Western powers—and I mean to include Japan—continue what they have been doing over the last 17 months, the situation will worsen. If so, the Cambodian people will get more angry ... They will take action by themselves without the Western powers," Khieu Samphan said.

Meanwhile in Phnom Penh, a grenade exploded overnight near the central market killing the man who was carrying it, Falt said. The United Nations classified it as a bungled robbery attempt with no political motive. But the outspoken head of the Republic Democracy Khmer party—whose banner over the office near the market reads "Communism is Evil!"—said the grenade blast was targetted at him. The grenade exploded about 20 meters (yards) from the entrance to his office, he said.

Khmer Rouge Deny Responsibility

BK0804101893 Hong Kong AFP in English 1006 GMT 8 Apr 93

[Text] Phnom Penh, April 8 (AFP)—The Phnom Penh government said Thursday that the Khmer Rouge Division 616 was responsible for killing a Japanese U.N. electoral officer in central Kompong Thom province. Government Defense Minister General Tie Banh said the guerrillas from Division 616 had carried out a number of aggressive acts towards U.N. personnel in the area in recent weeks.

But Khmer Rouge spokesman Mak Ben told AFP that his faction was not responsible. "We have no reason to kill U.N. personnel," he said, citing the Khmer Rouge's signing of the 1991 Paris peace accords ending the Cambodian civil war and creating the U.N. Transitional Authority in Cambodia (UNTAC). UNTAC has said officially that the perpetrators of the killing were not immediately identified. But sources in Kompong Thom said they believed it was the Khmer Rouge due to previous activity in that area.

"It is what we think, but it's very hard to say at this stage," said one official who could not be identified. "The Khmer Rouge are operating in small groups all throughout the province.

UNTAC Chief: Khmer Rouge May Try To Block Election

OW0704114993 Tokyo KYODO in English 1139 GMT 7 Apr 93

[Text] Phnom Penh, April 7 KYODO—The head of the United Nations peacekeeping mission in Cambodia said Wednesday [7 April] that Khmer Rouge guerrillas may try to block a general election in late May. Some 90 percent of assaults on the U.N. Transitional Authority in Cambodia (UNTAC) have been waged by the Khmer Rouge faction so far, Yasushi Akashi said in an interview with KYODO NEWS SERVICE.

"I am concerned that they (Khmer Rouge guerrillas) are going to obstruct (the election)," Akashi said in the UNTAC Headquarters in Phnom Penh.

Cambodians are scheduled to go to polls May 23-25 to select legislators to a parliament to draft the nation's new constitution. But the Khmer Rouge faction has declared it is boycotting the election. UNTAC officials said the Khmer Rouge is believed to have killed three U.N. Peacekeepers from Bulgaria last Friday.

Akashi downplayed speculation that the Khmer Rouge may restart a war, saying "such a view is based on an overestimate of the faction's capability." "Because they cannot do such a thing, they have taken (military) actions prior to the election," he said. Akashi suggested that if the Khmer Rouge attacked UNTAC peacekeepers, they would shoot back to defend themselves. "To defend the safety of (peacekeepers') lives and

(UNTAC) facilities would fall within the scope of self-defense," he said. UNTAC personnel "have used and still can use weapons within the scope of self-defense," he said.

Butrus-Ghali Urges Participation in May Polls

BK0704132893 Hong Kong AFP in English 1310 GMT 7 Apr 93

[By Sheri Prasso]

[Text] Phnom Penh, April 7 (AFP)—U.N. Secretary General Butrus Butrus-Ghali told warring faction leaders Wednesday to exchange their guns for ideas and participate in the May elections that risk being the "last and only chance" for stability in Cambodia. "The parties must fight with words and ideas and not with grenades and guns," Butrus-Ghali said at a meeting with members of the country's Supreme National Council.

The Khmer Rouge are refusing to participate in the U.N.-sponsored elections scheduled for May 23-27, chanting for the past 10 months the same mantra of demands that the occupying Vietnamese be expelled from the country first. However, Butrus-Ghali said: "The best way forward is to have a spirit of cooperation and moderation, to renounce rigid positions and to look to the overall interests of national reconciliation and reconstruction."

The secretary general—stepping away from the wording of the 1991 Paris peace agreement which calls for a neutral political environment for the elections—said the polls could proceed in "as neutral a political environment as possible." "That does not mean the absence of debate or discord, on the contrary," he said.

He said the peace accords have given Cambodia an election "that risks being their last and only chance to break with the practices of the past and their consequences, and clear the way for a better future that will assure stability, political tolerance and a certain economic well-being." He was referring to two decades of bloody civil war and the Khmer Rouge regime, which ruled Cambodia between 1975 and 1979 and left as many as a million Cambodians dead from starvation, disease and executions.

At the headquarters of the U.N. Transitional Authority in Cambodia (UNTAC), U.N. election component chief Reginald Austin said he was not yet satisfied with conditions for the polls. "I am anxious that the political environment should become freer," he said. "I would not at this stage (agree to holding the election) until the environment improves." However, the Phnom Penh government Wednesday said a neutral political environment already existed in Cambodia, as it geared up its election campaign. Chea Sim, the Cambodian strongman who heads the government's Cambodian People's Party (CPP), said at a ceremony that "we could conclude that the existing moderate neutral political environment could secure the 20 officially registered political parties to engage in this campaign towards the upcoming May elections.

Leaves Phnom Penh 8 Apr

BK0804135493 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 8 Apr 93

[Text] At 1700 today, His Excellency [H.E.] Butrus Butrus-Ghali, UN secretary general, ended an historic visit to Cambodia and left Phnom Penh for Bangkok on a special aircraft of the Kingdom of Thailand. H.E. Butrus Butrus-Ghali was seen off with high honors at a ceremony at Pochentong international airport by His Royal Highness Prince Norodom Sihanouk, head of state and chairman of the Cambodian Supreme National Council [SNC], and H.E. Yasushi Akashi, chief of the UN Transitional Authority in Cambodia [UNTAC].

Also present at the ceremony were their excellencies members of the SNC, including Hor Namhong, Ieng Muli, Khieu Samphan, Prince Norodom Ranariddh, Sam Rangsi, Son Sann, Tie Banh; secretaries of the SNC; ambassador representing diplomatic missions of various countries accredited to Cambodia; high-ranking UNTAC officials; and a multitude of students, cadres, and officials from various ministries and services.

Sihanouk Promises To Remain President After Polls

BK0704170493 Hong Kong AFP in English 1456 GMT 7 Apr 93

[Text] Phnom Penh, April 7 (AFP)—Prince Norodom Sihanouk on Wednesday promised he would stay on as Cambodia's head of state following UN-sponsored elections in May, contradicting his assertion last week that he would step down. "You call me the changing prince, the mercurial prince, okay, but I have my reasons," the prince told reporters after meeting with UN Secretary-General Butrus Butrus-Ghali. "The only explanation about my decision is it is always to serve at best my people." Prince Sihanouk said he sincerely wanted to resign, but felt a duty toward Butrus-Ghali. "The United Nations needs me, so I am at their disposal," the prince said.

On his return to Cambodia from Beijing last week, Prince Sihanouk had said he would "irrevocably" step down because of the opposition of some Cambodian factions to his desire for national reconciliation. Prince Sihanouk is also chairman of the Supreme National Council (SNC), which groups the country's faction leaders and represents Cambodia's sovereignty under UN supervision. He said he would quit that position as well.

Butrus-Ghali praised Prince Sihanouk's role in the Cambodian peace process, and said the prince would stay on until the UN Transitional Authority in Cambodia (UNTAC) left and a new government was formed after May's elections. "Even thereafter he will continue to play a leading role in the reconstruction of his country," Butrus-Ghali said. "It is reassuring that in the coming difficult days ahead, UNTAC and the SNC will have the benefit of the guiding hands of Prince Sihanouk."

Journal Views Election Scenarios, Coup Fears

BK0704104993 Singapore BUSINESS TIMES in English 7 Apr 93 p 1

[By Harish Mehta in Phnom Penh]

[Text] The Cambodian election campaign starts today amid fears that the losing parties could stage a military coup.

The 43-day election campaign will involve rallies by the 20 political parties running for the 120-seat Constituent Assembly. Polling will be held from May 23 to 25.

But the main parties are Prime Minister Hun Sen's Cambodian People's Party (CPP) and Prince Norodom Ranariddh's FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party, with the Khmer Rouge, which has refused to take part in the poll, likely to wreak havoc.

Diplomats and party leaders have identified three scenarios.

—If FUNCINPEC wins the poll, it may be forcibly ousted by the losing CPP. But the Khmer Rouge would back a FUNCINPEC government to keep the CPP in check.

—If FUNCINPEC loses the election and the CPP wins, the Khmer Rouge may launch its own bid for power.

—If neither the CPP nor FUNCINPEC wins an absolute majority, they will be forced to share power.

Under all three scenarios, the Khmer Rouge is expected to continue its policy of destabilisation and killing UN troops.

Worried by the rising tide of violence, UN Secretary General Butrus Butrus-Ghali arrives here today for a 48-hour visit, during which he will talk with the Supreme National Council Chairman Prince Norodom Sihanouk, UN peacekeeping chief Yasushi Akashi, and other key figures.

The UN has urged parties to have plenty of reserve candidates—240 each—in case any are murdered during the campaign. Such fears are real, as more than 100 people have already been slain.

The violence, largely by the Khmer Rouge, has claimed the lives of three Bulgarians and two Bangladeshis serving with the UN.

To help calm the political environment, Mr Akashi has signed a directive which aims to give all parties access to the media. Under the directive, published yesterday, UN radio in Cambodia will broadcast daily electoral programmes and offer weekly slots to political parties.

Khmer Rouge Affirm Opposition to Bank Loan

BK0704060993 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 5 Apr 93

["Address by His Excellency Khieu Samphan, chairman of the Party of Democratic Kampuchea, PDK, and member of the Supreme National Council, SNC, at the SNC meeting in Phnom Penh on 4 April, confirming the PDK stance of refusing to borrow money from the World Bank to save the puppet regime which enables it to continue Vietnam's war of aggression and the massacre of the Cambodian people"—read by announcer]

[Text] 1. On this issue I would like to make the following observations:

The 23 October 1991 Paris agreement clearly states that the Supreme National Council [SNC] is the legitimate body and the sole source of power in Cambodia during the transitional period. UNTAC [UN Transitional Authority in Cambodia], however, has completely forgotten this essence of the Paris agreement. Instead it has raised the so-called necessity to save Vietnam's puppet regime from crumbling, to provide aid to Vietnam's puppets, and to assist the puppets' budget and the puppets' bank notes. In fact, nothing was said in the Paris agreement about providing aid to Vietnam's puppets.

2. Concerning the borrowing of $65 million from the World Bank for Vietnam's puppet regime in Phnom Penh, the prince head of state and SNC chairman, has already made a decision. After detailed discussion with the SNC's technical commission, with the participation of representatives from the World Bank and the UNTAC representative named Lawrence, and with the reference to the report by the head of the Cambodian delegation, the prince head of state decided on 4 March [month as heard] the following: I, Norodom Sihanouk, is of the view that we have no other way than to wait for a new Cambodian Government resulting from the UNTAC election in May 1993. The World Bank should directly contact this new government in June.

More recently, on 2 April, the prince also reaffirmed this position. We do not understand why UNTAC is making such an effort to raise this issue. We ask that UNTAC respect the decision of the prince head of state and SNC chairman. We should not go back to this issue.

3. Whatever the case, the PDK would like to solemnly stress that UNTAC's action is flagrantly illegal. Furthermore, this action is taken with bad political intentions; it also violates the Paris agreement. We categorically oppose this.

4. UNTAC's efforts to raise the issue of the World Bank's $65 million loan clearly shows that UNTAC is rushing to save Vietnam's puppet regime in Phnom Penh, which is on the verge of collapse due to economic crises. Therefore, UNTAC is striving to borrow $65 million to enable Vietnam's puppet regime to survive

until the election so that UNTAC can legitimize the regime. From then on, the World Bank and international monetary organizations should directly deal with Vietnam's puppets.

UNTAC, however, needs the names of the SNC and of the prince to borrow this money.

5. Everyone is aware that the riel bank notes of Vietnam's puppets have been through one crisis after another. These notes have been printed for use as an instrument of aggression and occupation of Cambodia. Vietnam's puppet regime and these bank notes have survived to this day simply because of the dollars brought in by UNTAC. The worthless riel bank notes of the puppets have been used by Vietnam for nearly 15 years to plunder our nation's natural resources, paddy, rice, and other products of our people to feed Vietnamese aggressor and occupation forces in Cambodia.

Our Cambodian people and peasants, who are living in abject poverty and hardship, stopped using the puppets' riel bank notes a long time ago. More serious still are successive events that have taken place and further accelerated the decline of the puppets' currency, and also UNTAC's failure. It is now nearly the end of UNTAC's mandate; there is no peace; foreign businessmen are withdrawing from Cambodia; market places are closing in Phnom Penh and various provinces, down to big and small townships; puppet troops are revolting; shops are robbed; grenade attacks are carried out, and so on, in Phnom Penh, Siem Reap, Kompong Thom, Battambang, Sisophon, and cities in other provinces throughout the country. The Cambodian people and puppet soldiers are furious with the worthless riel bank notes of the puppets; with the very corrupt puppets and traitors to the nation; and with Vietnamese settlers. They have smashed the statue installed in Phnom Penh to glorify Vietnam's Indochinese federation.

All this is the result of Vietnam's aggression and occupation in Cambodia in the past 15 years. This is the situation resulting from the nonimplementation of the Paris agreement. Everyone clearly realizes that Vietnam's puppet regime is very sick; it needs a dollar injection. Before UNTAC can get dollars, however, it has to overcome legal obstacles first. No international monetary institutions will deal with the puppets if the puppets continue to be an illegal regime. UNTAC is organizing the election to legitimize the puppets.

Therefore, UNTAC needs the names of the SNC and of the prince head of state and SNC chairman to borrow money from the World Bank before the election. In fact, what UNTAC is doing is an attempt to save the puppet regime and to enable Vietnam to occupy Cambodia forever. Therefore, agreeing to let UNTAC borrow money from the World Bank is tantamount to agreeing to let our beloved nation be killed and agreeing to let Cambodia becoming a second Kampuchea Kraom [former Cambodian territory now part of southern Vietnam]. This is an act betraying the nation and people. Currently, when the people and the nation are getting more and more angry with the Vietnamese aggressors, along with the great hardship people experience in their daily life, no Cambodians worthy of this name would agree to borrow money from the World Bank to kill the Cambodian nation and people.

The PDK would like to take this opportunity to renew its demand that the SNC print national riel bank notes for use by the people nationwide, a riel currency that is trusted by the people. However, if UNTAC and Vietnam and its puppets continue to oppose the SNC having a role and the printing of national riel bank notes, the Cambodian national resistance forces will print their own bank notes for the people to use in liberated zones.

Government Soldiers Mutiny in Stoung District

BK0604034293 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 5 Apr 93

[Text] Reports from Stoung District in Kompong Thom Province state that Cambodian soldiers in Regiment 43 of Division 286 stationed in Stoung mutinied on 2 and 3 April, killing a battalion commander and four company commanders. Three regimental officers have already fled. Presently, soldiers in Regiment 43 are in control.

The situation among puppet troops in Stoung District is very confused because:
1. They do not need to fight anymore. They have been engaged in this for a long time and have been dying;
2. They have not been paid for months and the puppet riel currency is no longer in circulation;
3. They are now facing starvation because they do not even have dry rice and water to drink.

Cambodian soldiers in Regiment 43 say: We do not want to fight anymore. Let these guys—Hun Sen, Heng Samrin, Chea Sim, Pol Saroeun, and Long Sopheap—come and fight themselves. If they are strong, let them come and defend Stoung themselves.

Cambodian soldiers in Regiment 43 have now decided that they will continue their revolt, fight the Vietnamese and puppet leaders, and cooperate with the people and the National Army of Democratic Kampuchea to liberate and in the end control Stoung.

Hun Sen Urges Khmer Rouge Expulsion From SNC

BK0804052393 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 7 Apr 93

[Text] His Excellency UN Secretary General Butrus Butrus-Ghali held a meeting with the Supreme National Council [SNC] of Cambodia at the Royal Palace at 1820 this evening.

After holding a 30-minute secret meeting at Khemarin Throne with His Royal Highness [HRH] Prince

Norodom Sihanouk, head of state and chairman of the SNC, His Excellency Butrus Butrus-Ghali together with HRH Prince Norodom Sihanouk held a meeting at Tevivinitchhai Throne with SNC members which include Their Excellencies Dit Munti, Hor Namhong, Hun Sen, Ieng Muli, Im Chhunlim, Prince Norodom Ranariddh, Khieu Samphan, Sam Rangsi, Sin Sen, Son Sann, and Tie Banh. Only His Excellency Son Sen of the Party of Democratic Kampuchea [PDK] was absent.

Also present were His Excellency Yasushi Akashi, head of the UN Transitional Authority in Cambodia [UNTAC]; His Excellency Behrooz Sadry, UNTAC deputy chief; His Excellency Major General John Sanderson, commander of UNTAC forces; and other high-ranking UNTAC officials.

At this meeting, His Excellency Hun Sen, State of Cambodia [SOC] prime minister and SNC member, on behalf of the SOC, handed to Secretary General Butrus Butrus-Ghali a memo on the serious violations of the Paris agreement and human rights by the PDK/Khmer Rouge. The gist of this memo is as follows:

I. After the signing of the Paris agreement, the UNTAC mandate was drafted by the UN Security Council in a situation which was very different from the present one. At that time, the Khmer Rouge have not rejected the Paris agreement yet. They also did not harass the electoral process or seriously violate human rights.

II. There is a new situation today. The Khmer Rouge have officially rejected the Paris Accords and the upcoming election in May—the decisive factor of this peace agreement—and are committing crimes to destroy the electoral process and seize power through military force.

III. Therefore, UNTAC should have a new and appropriate mandate to face this new situation.

IV. Not only have the Khmer Rouge barbarously massacred Vietnamese immigrants for racial extermination purposes and UNTAC personnel, they have also been committing a second genocide by killing innocent Cambodians daily.

V. In the face of these serious violations of the Paris agreement and human rights, we demand the immediate expulsion of the Khmer Rouge faction from the SNC through Articles 4 and 24 of the Paris Accords.

VI. Contrary to the expectation that the Khmer Rouge will change their stand and that they can be controlled more effectively by being kept in the SNC, they are exploiting the top legal body by violating the peace agreement, human rights, and by resuming their genocidal acts.

VII. We demand that the Khmer Rouge ringleaders be tried before an International Tribunal for their past genocidal crimes committed from 1975 to 1979 [year as heard] and for their crimes committed barbarously against mankind after the signing of the Paris agreement, crimes similar to those that have taken place in the former Yugoslavia.

VIII. While the SOC's armed forces have restrained themselves out of respect to the Paris agreement, except for the case of self-defense vis-a-vis military attacks, the Khmer Rouge have taken the opportunity to expand their zones of control. They have also encircled and threatened various SOC towns and areas.

IX. Therefore, the Khmer Rouge's military campaign and the premeditated crimes they are committing systematically and cruelly warns of a grave new catastrophe, not only to the upcoming election but also to the new government and Cambodian people.

X. If such a situation continues, the peacekeeping mission—the largest and most expensive one in the history of the United Nations—may soon find it impossible to hold the election on schedule, or in which favorable conditions are being created for the Khmer Rouge to topple the new government after the election. Then, the Cambodian people will certainly face a fate similar to what they experienced from 1975 to 1978 [year as heard].

XI. As the situation is not too late, the SOC will be thankful to UNTAC if it empowers the SOC to take legal measures, using all means in cooperation with UNTAC, to prevent the Khmer Rouge from continuing to profit from this irregular situation, thus defending the electoral process, the elected government, and the Cambodian people from a second genocide.

Indonesia

Commentary Views Trade Problems With U.S.

BK0804042193 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 8 Apr 93

[Station commentary]

[Text] The Indonesian Government, in cooperation with its Washington and Singapore-based consultants, has completed compiling a 38-page justification on the allegations of four U.S. organizations that 44 countries, including Indonesia, have carried out unfair trading practises.

According to Kamarulzaman Alqamar, the director general of foreign trade in the Trade Department, Indonesia's justifications would be expeditiously forwarded to the United States' Trade Representative.

Indonesia, which do not impose any non-tariff barriers [preceding two words in English], is providing evidence on trade practises conducted inside the country. Apart from this, they will proceed with more intensive lobbies to solve such problems amicably. Experience indicates that any problem could be effectively and efficiently solved through mutual understanding by using such a method.

In July 1987, U.S. soybean farmers alleged that palm oil produced by Indonesia and Malaysia contained high levels of cholesterol and fatty acids which caused health problems for American consumers. The allegation was hurled at a time when palm consumption oil in the United States rose to 63 percent. Soybean oil consumption was then only 8 percent. The farmers' allegation was further magnified by a full-page advertisement in a renowned newspaper.

Indonesia considers palm oil a new commodity. It is produced by only 160,000 small-scale farmers cultivating 299,000 hectares of oil palm plantations. The 1986 world palm oil production was 7.7 million tons and only 5.3 million tons were marketed internationally. On the other hand, soybean oil production was 15.7 million tons and 6.7 million tons were exported. The United States itself produces palm oil by providing subsidies to its farmers, apart from importing it from Malaysia, Indonesia and the Philippines.

On learning about the allegation of the American soybean farmers against palm oil, Indonesia and Malaysia promptly provided evidence to show that such allegations were unfounded. Research conducted by a Malaysian university expert and another by the Kuala Lumpur palm oil research institute showed the cholesterol content in palm oil to be very low. Meanwhile, research by Indonesian experts proved that the cholesterol content in an egg is equal to 29 liters of palm oil. In other words, the cholesterol content in an egg was very much higher than that of palm oil. The outcome of the research conducted by Indonesian and Malaysian experts were sent to Washington to expose and to clarify the facts of the situation.

We hope that the new cases involving trade between Indonesia and the U.S. could be similarly solved as in the above. This is important, taking into account that the U.S. market is good for our export commodities—particularly nongas exports.

UN Envoy Departs; 'Satisfied' With Visit

BK0804012093 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 8 Apr 93

[Text] Amos Wako, the special envoy of the UN secretary general, said he was satisfied with his second visit because of the good cooperation extended to him by the Indonesian Government.

Speaking at Ngurah Rai Airport in Denpasar yesterday before leaving for Jakarta, Amos Wako said he had met and conducted lengthy and uninterrupted discussions with the East Timor community, including Xanana, Mauhudu, and Bishop Belo.

The UN special envoy, however, was reluctant to make any comments on his discussions with Xanana, Bishop Belo, or Mauhudu—the latter who took over the leadership after Xanana was captured. Mauhudu was captured by ABRI [Indonesian Armed Forces] on Saturday.

A report from Denpasar stated that Amos Wako and his delegation had the opportunity to visit the Nusa Dua region during a two-hour transit stop at the Ngurah Rai Airport.

Amos Wako will continue his journey to Geneva today before presenting the report on his visit to East Timor to UN Secretary General Butrus Butrus-Ghali.

Laos

Vientiane Party Organization Convenes Congress

BK0704122993 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 6 Apr 93

[Excerpt] The party organization of Vientiane Province convened its first congress in Vientiane on the morning of 5 April. The congress was participated in by all 155 comrade full party members representing more than 3,280 comrade party members throughout the province. Attending the opening ceremony of the congress were Maichantan Sengmani, Political Bureau member of the Lao People's Revolutionary Party [LPRP] Central Committee and head of the Party and State Control Committee, and Siphon Phalikhan, member of the Party Central Committee, deputy minister of national defense, head of the Army General Political Department, and former governor of Vientiane Province, along with senior Buddhist monks and more than 200 guests from various offices and organizations in Vientiane Province.

In the congress the delegates studied a political report, presented by the provincial party executive committee, on the achievements and victories won in the recent past by the entire party, army, and people of Vientiane Province. They also endorsed the socioeconomic development plan of the Vientiane Provincial Party Committee for implementation in the immediate future. The plan was presented by Mounkeo Olaboun, member of the Party Central Committee, secretary of the Provincial Party Committee, and governor of Vientiane Province. The delegates to the congress also heard a talk on the party's line and policies, particularly the line and policies on building and consolidating the party as well as on the socioeconomic construction and development in Vientiane Province, as delivered by Maichantan Sengmani, Political Bureau member of the Party Central Committee and head of the Party and State Control Committee. During the congress the delegates will also cast their votes to elect a new party executive committee for the province. The congress will last four days.

In its political report presented at the congress, the Vientiane Provincial Party Committee noted: Throughout the past seven years of implementation of the resolutions of the fourth and fifth party congresses and various resolutions of the Party Central Committee, Vientiane Province has been continually built and consolidated in the political, economic, and social fields. The countryside has also been rebuilt. As a result, the shape of Vientiane Province has been changed for the better step by step. Nevertheless, in previous years Vientiane Province was severely affected by natural disasters such as drought, pests, and animal diseases, which resulted in a drop in the production yield. At the same time, the requirements of the people in daily life have increased. As a result, the supply of necessary materials did not meet the demand. On the other hand, the internal solidarity and unity among various tribes was not firmly strengthened; the living standards of the people in the mountains and plains remained far different; and the level of understanding and capabilities of cadres in implementing various resolutions of the party as well as regulations and laws of the state did not meet the new circumstances. As a result, the party's line and policies have not been fully and effectively implemented.

Besides, the counterrevolutionaries have continued to pursue their schemes of effecting a change through peaceful means while using force to create disturbances to sabotage the peace and tranquility of the people in the province. But, with the fine traditions, firm determination, and solid unity of the cadres, soldiers, police, and multiethnic people, and with the strong endeavor and initiatives of the party committees of various levels in appropriately applying the comprehensive restructuring line of the party to the practical conditions and specific points of localities, achievements and victories have been successfully recorded in many fields over the past seven years, particularly achievements and victories in carrying out the national defense and public security work. Noteworthy is implementation of the strategic measures in turning to the grass roots to build political foundations in all respects. In implementing the strategic measures, key points and concentration were put on carrying out the work in mountainous, remote areas. As a result of implementation of the strategic measures, the situation throughout the province has been turned from a state of being unpeaceful and disorderly in the past into a state of being basically peaceful and tranquil. [passage omitted]

Minister Issues Announcement on Labor Management

BK0604111793 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 4 Apr 93

["Text" of announcement issued by the minister of labor and social welfare— date not given]

[Text] Based on the labor law of the Lao People's Democratic Republic [LPDR] and based on the prime minister's decree No. 91/PM dated 11 December 1991 on the lowest salary or wage rates for laborers who work in business production and the service sectors and on the organizational system of the Labor and Social Welfare Ministry, it is observed that at present there remains a large number of companies, factories or plants, and business production and service units of various economic sectors that have failed to appropriately manage and utilize labor in accordance with the labor law of the LPDR. It is noted in this regard that those companies, factories or plants, and business production and service units have used labor in a too severe manner. For example, a number of labor utilizers or employers have made laborers work more than eight hours per day and more than 26 days per month, and paid them too little in return. Laborers consider these wage rates unfair. Moreover, it is apparent that the employers have even cheated the laborers by cutting their wages, indiscriminately setting work regulations, and discharging laborers from their jobs without cause. In addition, employers have paid only cursory attention to appropriately implementing the social insurance policy as stipulated in the labor law. Simultaneously, a large number of laborers have failed to strictly comply with the labor regulations and contracts that they have agreed to sign with their employers, as a result of which they have repeatedly engaged in labor disputes.

Therefore, to create good relations between laborers and employers on the basis of mutual benefit in accordance with their respective obligations to guarantee the correct implementation of the labor law and the prime minister's decree No. 92/PM [number as heard] dated 11 December 1991 on lowest salary and wage rates for laborers who work in the business production and service sectors, the Labor and Social Welfare Ministry hereby issues an announcement warning and instructing all parties concerned to urgently pay attention to correctly and strictly implementing certain basic principles as follows:

1. Labor utilizers or employers are absolutely prohibited from requesting or allowing laborers to work more than eight hours per day as stipulated in Article 21 of the labor law. In case of serious need or in an emergency, laborers may be asked to work overtime on a particular day. However, the number of overtime working hours on that particular day must not exceed two in accordance with the average working hours per month as stipulated in the labor law. Labor utilizers are absolutely prohibited from asking or forcing laborers to regularly work overtime everyday or to work on Sunday every week. In the case of overtime work, employers must fully calculate wages for laborers in a fair and correct manner in accordance with Article 38 of the labor law.

2. Labor utilizers must correctly implement the lowest salary or wage payment policy in accordance with the prime minister's decree No. 92/PM on the lowest salary or wage rates for laborers working in the business production and service sectors, meaning 26,000 kips or more per month or 1,000 kips or more per day. Labor utilizers are absolutely prohibited from calculating and paying those laborers who are hired at the lowest salaries or wages and who regularly work 26 days per month, with any salary or wage rates that are lower than the ones already announced for enforcement by the state and as stipulated in Article 36 of the labor law.

3. All labor utilizers have the duty of strictly implementing the social insurance policy, the policy toward ailing laborers, the policy on rest and recreation, the policy toward laborers who leave their jobs for reasons,

and other policies related to the management and use of labor as stipulated in the labor law.

4. For those companies, factories or plants, and business production and service units that find by themselves that they have in the past failed to correctly implement the aforesaid policies in accordance with the labor law and the prime minister's decree on the lowest salary or wage rates, they are requested to urgently organize to correctly and strictly implement the policies within 30 days, beginning from the day this announcement is issued.

5. Trade unions at all levels, boards of trade and industry, and various branches concerned have the duty of helping and encouraging labor utilizers and laborers to correctly and strictly comply with the labor law.

6. The Labor Department which is attached to the Labor and Social Welfare Ministry, as well as the labor and social welfare services of all provinces and municipalities, have the duty of guiding, following up, and inspecting the implementation of the labor law in each area in an ever more systematic manner. They must also take appropriate and strict measures, in accordance with their rights and duties, against labor utilizers who continue to violate the labor law or this announcement.

Thai Investment, Trade Statistics Cited

BK0604040693 Bangkok Radio Thailand Network in English 0000 GMT 6 Apr 93

[Text] Thai investment is the largest among foreign investers in Laos and the Thai-Lao border is becoming more and more international. The Thai ambassador in Vientiane, Nikhom Tantemsap, said Thailand has been the biggest investor in Laos since 1988. A total of 112 investors from Thailand have been approved with a combined investment of 150 million U.S. dollars, or about 4 billion baht. Most Thai investment is in garments, hotel industry, banking, and construction.

Malaysia and Singapore are also big investors in Laos. Mr. Nikhom also said Thailand remains an important trading partner of Laos. In 1992, Laos imported products from Thailand worth 2 billion baht while Thailand imported products worth 600 million baht from Laos. Thai exports to Laos include construction materials, clothes, machinery, and vehicles. Laos has been seeking an increase in electricity sales to Thailand as it has a surplus of power in store. The increase is expected to offset Laos' trade deficit with Thailand in the future.

Thailand

Chuan Vows 'Earnest Actions' on Videotapes Issue

BK0704132393 Bangkok Radio Thailand Network in Thai 1200 GMT 7 Apr 93

[Text] Speaking with newsmen today, Prime Minister Chuan Likphai said that during the Cabinet meeting today Deputy Prime Minister Suphachai Phanitchaphak asked the meeting to consider earnest suppression of fake videotapes in compliance with the law because existence of fake videotapes has caused considerable damage to the country. The prime minister said the interior minister gave his assurances that earnest actions will be taken on this matter.

Expressing his clear stand on this issue, the prime minister said although Thailand enjoys a trade surplus with the United States, Thailand will have to correct quickly any weak points the United States could use to attack it. Although suppression will force people to pay more for copyrighted videotapes, the benefits the country will gain from trade with the United States are far greater.

Cabinet Takes 'Tough' Action on IPR Infringement

BK0804021893 Bangkok BANGKOK POST in English 8 Apr 93 p 17

[Text] The Cabinet formally decided to take tough and continuous action against copyright infringers yesterday but rejected a US call for Thailand to sign a memorandum of understanding detailing how piracy will be suppressed.

Government spokesman Aphisit Wetchachiwa said the memorandum could not be signed because the United States wanted a timetable for piracy to be suppressed complete with figures. Such a commitment would be difficult to put into practice, he said.

The decision came only a few weeks before the US Government is due to announce what action it will take on complaints of intellectual property right [IPR] infringement in Thailand.

The US has already listed Thailand as a "priority foreign country" being watched closely for trade violations. Under US law, Washington has until the end of this month to decide whether it is satisfied with Bangkok's progress in tackling violations, and drop Thailand from the list, keep it on the list, or impose penalties such as higher import duties on selected Thai exports.

A further round of talks at any level is now being ruled out following talks in Washington just over a week ago.

Prime Minister Chuan Likphai said yesterday he would not seek to talk to US President Bill Clinton directly, and according to Commerce Ministry sources, Washington has informed Thai officials that it wants no more discussion.

American officials are said to have told their Thai counterparts that the US Government prefers to wait and see what happens in Thailand.

No mention was made yesterday of pharmaceutical patents, an issue that is causing even more dissatisfaction at the Office of the US Trade Representative, according to some reports on the recent talks.

Unlike copyright infringement, which involves law enforcement, the pharmaceutical patent dispute hinges on US dissatisfaction with Thai law, particularly lack of backdated protection for drugs patented abroad but not on sale in Thailand when the new law came into effect in September, and powers granted the Government under the law to deal with abuse of monopoly power arising from patent protection.

The Thai Government argues that these provisions comply with the draft agreement negotiated multilaterally at the Uruguay Round of the General Agreement on Tariffs and Trade talks. The US Government says that is not good enough.

Immediately following yesterday's decision, Commerce Ministry sources said a new copyright bill was completed and is ready for the Cabinet. The bill would speed up investigations because it would list all countrias whose products are protected in Thailand instead of requiring prosecutors to search through treaties to see whether the country whose products are the subject of piracy has signed agreements recognised under Thai law.

Mr Chuan admitted yesterday that piracy of video and cassette tapes has strained Thai-US trade relations.

He said the Interior Ministry pledged at the Cabinet meeting yesterday to launch a "heavy crackdown" on those who violate US intellectual property rights and copyrights.

Deputy Commerce Minister Chaiyot Sasomsap told reporters the Cabinet had decided to take the action because the country does not benefit from piracy, the trade is illegal and pirates do not pay taxes.

The Government will place more importance on copyright protection to help Thailand to stand tall on the international stage, he added.

Mr Aphisit said yesterday's decision was designed to show the Americans that the Thai Government is determined to tackle copyright piracy firmly and consistently and to counter US accusation have only been temporary.

Asked how piracy could be stopped when counterfeit products are everywhere and government officials are involved, deputy spokesman Thamrong Thaimongkhon said the Government Spokesman's Division could set up a centre where people can report piracy.

Complaints can be made by calling 282-9510, he said.

Local, U.S. Firms Explore Joint PRC Venture

BK0804101393 Hong Kong AFP in English 0903 GMT 5 Apr 93

[Excerpt] Bangkok, April 5 (AFP)—The Thai conglomerate Charoen Phokaphan and the U.S. company Nynex will explore possible joint telecommunications projects in China, a Nynex official said Monday. "This is the beginning of an exploratory stage to see any possibilities for us to launch such a project in China," Peter Spinney, managing director of Nynex Network System Siam Ltd., told AFP. "We're hopeful that there will be a great opportunity for us to launch a telecommunications project in China since China is a large country that needs to develop its telecommunications system," Spinney said.

Nynex is a key partner of Charoen Phokaphan in the 70 billion baht (2.8 billion dollar) project to add two million telephone lines in Bangkok. Under the agreement signed last June, Charoen Phokaphan holds 90 percent and Nynex 10 percent of the shares in TelecomAsia, the company handling the telephone project. [passage omitted]

Reportage on Indian Premier's Visit

Chuan, Rao Discuss Cooperation

BK0704161693 Delhi All India Radio Network in English 1530 GMT 7 Apr 93

[Text] India and Thailand are to identify, within one year, specific areas of bilateral economic cooperation. This was decided upon at a meeting between the prime minister, Mr. Narasimha Rao, and his Thai counterpart, Mr. Chuan Likphai, in Bangkok this evening. During their one-to-one meeting followed by delegation-level talks, Mr. Narasimha Rao spoke of the tremendous opportunity offered by a large Indian market for a two-way trade between the two countries. His suggestion for an action plan to identify areas of cooperation within a year was readily agreed to by the Thai prime minister. Mr. Narasimha Rao said there is an excellent opportunity for India, Thailand, and other Asian countries to strengthen their trade ties following the recent changes in the world scenario. He said the end of the cold war and the opening of the economies of several countries has led to a new era. Mr. Narasimha Rao spoke of the need to stop terrorism, particularly across the border and state-sponsored terrorism. He criticized outside pressure on countries like India and Thailand in the name of human rights. He said the pressure is despite the fact that both the countries are committed to human rights and their cultures are steeped in humanitarian values. Mr. Narasimha Rao invited the Thai prime minister to visit India and the invitation was accepted.

The minister of state for external affairs, Mr. R.L. Bhatia, and the minister of state in the prime minister's office, Mr. Bhubanesh Chaturvedi, assisted Mr. Narasimha Rao during the talks. The Thai deputy prime minister and foreign minister also took part. An Indian official spokesman told newsmen later that the talks are expected to lay the foundation of a new chapter in Indo-Thai relations. On the Thai proposal seeking India's help in the field of nuclear power generation, the Indian side indicated that the subject has to be discussed in detail.

Talks between the two prime ministers followed a ceremonial reception to Mr. Narasimha Rao at Government

House. Mr. Narasimha Rao's four-day official visit comes within three weeks of India opting a sectoral dialogue with the Association of Southeast Asian Nations—ASEAN. Mr. Rao's visit has been prominently noticed in the newspapers in Bangkok. The BUSINESS POST has a full page highlighting the prime minister's (?path-breaking) economic reforms. The BANGKOK POST in a long editorial on Mr. Rao's visit says there are visible signs of economic change in India.

Rao Advocates Cooperation Program

BK0804015193 Bangkok BANGKOK POST in English 8 Apr 93 pp 1,3

[Text] Indian Prime Minister P.V. Narasimha Rao arrived here yesterday with a proposal for an "accelerated programme of cooperation" with Thailand.

Mr Rao made his proposal during talks with Prime Minister Chuan Likphai that took place shortly after his arrival from New Delhi early yesterday afternoon, according to Indian Joint Secretary for Foreign Affairs P. Menon.

Government spokesman Aphisit Wetchachiwa said the talks covered political andconomic issues, including the situation in Cambodia, Burma and problems of human rights, democracy, investment and trade.

Thailand also sought scientific co-operation from India in the use of nuclear energy for peace, he added.

Mr Menon said the Indian prime minister urged the two countries to meet yearly to identify specific areas of cooperation and set time frames for their accomplishment.

Mr Rao suggested that the co-operation cover fisheries, agriculture and greater ties between the two countries' private sector', Mr Menon told a press briefing yesterday evening.

Mr Rao's visit to Thailand is his first to a member state of the Association of Southeast Asian Nations (ASEAN) with which India recently established a "sectoral dialogue".

The Thai-Indian talks—which lasted two hours—included a one-to-one session between the two prime ministers and a plenary session drawing delegates from both sides.

The political discussions heard them emphasising the need for developing countries to strengthen ties in order to meet the new challenges that have emerged since the end of the Cold War.

Over dinner, Prime Minister Chuan said he looked forward to working with Mr Rao "in energising the potential of South-South co-operation in the framework of the Non-Aligned movement".

At the same time, he pointed out that "shared prosperity is the best guarantee for long-lasting peace and stability".

Both sides expressed concern over the post-election situation in Cambodia.

The Indian side stressed that it concurred with international calls for democracy and political reform in Burma but maintained these events should be determined by the government and people of that country, the spokesman noted.

India agreed with Prime Minister Chuan that the time had come for Asians to set their own standard on human rights, the spokesman said.

In his banquet speech Mr Rao said democracy was obtaining "greater nourishment" around the world but remained threatened by ethnic strife, cross-border terrorism, narcotics trafficking and abuse of the environment.

Mr Chuan expressed hope that Thailand and India would be brought closer "by our commitment to the democratic values and respect for fundamental human rights" as well as by cultural and economic ties.

Mr Rao decried "the inclination among some countries to impose their own perceptions and values on others".

He was also critical of attempts to impose "new conditions on the giving of assistance that is meant to provide for the needy".

He apparently was referring to the demands by some Western countries for their standards of human rights and democracy to be met before aid is extended.

The economic discussion heard India emphasising its opening up to world markets while Thailand underlined the open nature of the ASEAN Free Trade Area that is to be established within 15 years.

Over dinner, Mr Rao said India was opening its "enormous markets" With a "sectoral dialogue" opened in tourism trade and investment, Mr Rao expressed hope that India could "benefit from ASEAN's vigorous and successful efforts at harnessing the unique capabilities of countries in the region."

Mr Chuan stressed that "shared responsibility is the best guarantee to long-lasting peace and stability".

Strategically-located Thailand could serve as India's link with the countries of Indochina as well as other member states of ASEAN, he pointed out.

Decries Aid, Rights Linkage

BK0804035693 Delhi All India Radio Network in English 0245 GMT 8 Apr 93

[Excerpt] The prime minister, Mr. Narasimha Rao, has said that India is a victim of terrorism that finds sustenance beyond its borders. Speaking at a banquet given in his honor by his Thai counterpart, Mr. Chuan Likphai, in Bangkok last night, Mr. Narasimha Rao said a country like India is committed to preserving fundamental human rights in a difficult situation created by terrorist attacks. Mr. Rao decried attempts by some countries to link economic assistance to the question of human rights. Emphasizing the ongoing economic reforms in

India, Mr. Narasimha Rao said that the talent of our people combines with natural resources to reorient the economy towards a greater and more sustained growth. [passage omitted]

Encourages Trade, Investment

BK0804085593 Delhi All India Radio Network in English 0730 GMT 8 Apr 93

[Text] The prime minister has invited Thai businessmen and industrialists to utilize the large Indian market for an unfettered two-way investment and trade.

Mr. Narasimha Rao was addressing the leaders of Thai business, trade, and industry in Bangkok this morning on the second day of his official visit to Thailand. Stating that the new economic policy is irreversible, Mr. Rao called upon the private sector in both India and Thailand to utilize the opportunity provided by the open market policy followed by the two countries. He said political will exists in both the countries for increased cooperation and it is up to the private sectors on how best they utilize this opportunity.

Welcoming Mr. Rao, the chairman of the Thai Banker's Association responded favorably to the prime minister's suggestions to formulate workable ideas for increased cooperation between the two countries.

Earlier, the prime minister called on the supreme patriarch, His Holiness S.P. Yenasangwan. Mr. Rao said he was fortunate to be in the presence of the spiritual head and seek his blessings and good wishes. He recalled the link between India and Thailand and expressed the hope that the age-old relations will continue to grow stronger. Mr. Rao announced that Buddhist monks of Thailand will no longer have to pay visa fees while visiting Buddhist shrines and places in India.

AIR's [All India Radio] special correspondent, Vivekananda Ray, covering the prime minister's visit, reports that the patriarch described Mr. Rao as a scholar and a philosopher. He advised him to cherish the values of truth and nonviolence.

Government Plans To Invite More Japanese Investment

BK0704024593 Bangkok THE NATION in English 7 Apr 93 p B3

[Text] Thailand plans to invite more Japanese investment in Thailand, especially in the area of supporting industries, in an attempt to reduce trade deficit between the two countries.

The supporting industries Thailand feels it should promote are those producing mechanical components and light machinery.

Director-general of Foreign Trade Department Charae Chutharatkun told the reporters that a talk to find ways to reduce continuous trade deficit between Thailand and Japan will be the major subject in the upcoming bilateral talks scheduled between April 21-22 in Tokyo.

Called Policy Dialogue on Trade, Industry and Investment, the meeting will be headed by Thailand's director general of Foreign Trade Department and Japan's minister of Ministry of International Trade and Industry [title as published].

By promoting more investment in the supporting industries, Thailand expects to reduce imports of parts by Japanese factories, usually from Japan.

Furthermore, by producing them locally, Thailand will also be able to export more components to countries within Asean and Indochina.

According to Charae, Thailand has been developing component- producing industries for some time and is now ready to produce material to respond to the demand of the local factories.

Japan is welcome to jointly invest in such industries, said Charae.

He added that the talks will also touch on further cooperation in certain fields.

Paper Opposes May Cambodian Elections

BK0804091793 Bangkok SIAM RAT in Thai 8 Apr 93 p 4

[Editorial: "The United Nations and Lessons From Cambodia"]

[Text] The general elections in Cambodia, Thailand's neighbor, are only about one month away. However, as the election day approaches there is doubt whether the Cambodian Government produced by the UN-supervised election will be able to stop the growing political and ethnic violence.

The hope of various parties for a peaceful Cambodia and for national reconstruction to begin after a lengthy war is becoming increasingly remote. The situation when the four Cambodian factions jointly signed the peace agreement in Paris in October 1991 was far different from today. Dr. Butrus-Ghali, the UN secretary general, probably noticed this in the form of the elaborate security which the UN Transitional Authority in Cambodia [UNTAC] provided for him during his second visit to Cambodia on Wednesday.

The United Nations cannot deny that the situation has changed for the worse since it began transitional administration of Cambodia approximately one year ago.

In the beginning the expensive UN operations in Cambodia were viewed as a model UN mission in the post-cold war era. It was felt that the operations would serve as the comprehensive solution to the Cambodian conflict. But the United Nations began to encounter problems when the Khmer Rouge refused to disarm themselves as agreed earlier and now declined to participate in the election.

The UN efforts to create political climate for an impartial and fair election has been undermined by political threats and assassinations. The United Nations is aware of the situation and has disclosed that Phnom Penh soldiers, which control about 85 percent of the country, were largely responsible.

The United Nations has suffered considerable loss of face resulting from its failure to deal with political violence, such as the assassinations of ethnic Vietnamese and, lately, UNTAC soldiers. It charged that the Khmer Rouge were responsible.

We believe that the violence and confusion in Cambodia will intensify during the election campaign if the United Nations persists in holding the elections during 23-27 May. Moreover, the elections will only enable the United Nations to end its mission in Cambodia, producing a government incapable of restoring peace.

All of this highlights the weakness of the UN peace missions in trouble spots. If the United Nations is not reformed to suit the post-cold war situation the world body will become no more than a paper tiger.

Editorial Views Bangkok Human Rights Declaration

BK0404024493 Bangkok THE NATION in English 4 Apr 93 p A10

[Editorial: "20th Century Horrors Must Not Be Repeated in the 21st"]

[Text] The inter-governmental Asian Regional Meeting for the Second World Conference on Human Rights concluded here on Friday, with Asian states producing the Declaration of Bangkok, a consensus document reflecting their positions on a wide range of human rights issues.

The 30-point declaration, which will be submitted to the Preparatory Committee, for the World Conference on Human Rights in Vienna from June 14-25, emphasizes the primary responsibility of states in otecting and promoting human rights, while recognizing the crucial role of international cooperation in achieving these goals.

The United Nations-sponsored World Conference on Human Rights will be a historical event. Not only will it be the first UN world summit on human rights for 25 years, but it is also taking place during a critical phase in the development of the UN as a whole, as the world body faces new opportunities and tough challenges in the post-Cold War era.

Preceding the inter-governmental meeting, was the non-governmental Asia-Pacific Human Rights Conference held in Chulalongkorn University whereby pertinent points with regard to the protection and promotion of human rights were brought out.

Firstly, the universality of human rights was emphasized upon, whereby, it was brought out that humanity is one and therefore, the standards of human rights everywhere—East or West—should be the same.

Lately with regard to the gross human rights violations that are happening in Burma and East Timor, Southeast Asian governments have been telling outsiders to mind their own business, as the violations in their countries or territories occupied by them are domestic issues.

Secondly, the linkage between democracy and human rights was debated. It goes without doubt that there is indeed a strong relationship between those two, but the limitations of the preconceived notion of democracy has to be addressed.

Democracy respects the wishes of the majority and most of the time human rights concerns the rights of the minority in the face of persecution by the majority. The annexation of East Timor by Indonesia, is a perfect example of this and it was emphasized that the Timorese people had the right to self-determination, despite the fact that the majority of Indonesians think otherwise.

Thirdly, it was agreed that human rights and development are inseparable.

Southeast Asian governments say development comes first—that is their people have to be given bread first before they can have freedom.

But most times this gives rise to dictatorship and the masses are left with neither bread nor freedom.

Right before our eyes, this phenomenon is unfolding itself in Burma under the despotic military junta.

But the governments in Asean have failed to acknowledge this and the trite excuse given for "constructive engagement" is that the junta should be given the incentive of improving Burma's economy, so that the military leaders would becomes less monstrous.

Unhappily for the Burmese people, repression has so far lasted for over 30 years, since Ne Win's military coup ended parliamentary democracy and directed the country along the "Burmese way to socialism." On the journey, one of Asia's richer nations, endowed with educated people and natural resources, has become one of the world's poorest. Does Asean really believe that those responsible for Burma's current state, will be converted to righteousness through "constructive engagement"?

Though the Bangkok Declaration acknowledged the universality of human rights and welcomed the increased attention being paid to the subject by the international community, unnecessary prominence however was given to national institutions in monitoring and preventing human rights abuses.

It is a known fact that national institutions will never work in situations where gross abuses are carried out, for governments might use it for their own ends.

The November 1991 Santa Cruz massacre in East Timor for instance can be taken as a good example. Till today, an official government inquiry into the shooting of prodemocracy demonstrators, maintains the military killed slightly over 50 people, though international human rights organizations can vouch that some 180 people died. The lack of having a mechanism for a forum to discuss, debate and protect human rights in the Asia-Pacific region is indeed cause for worry.

A striking aspect of the Asian Regional Meeting was the ability of NGOs [nongovernmental organizations] to present a united front to the governments assembled and even get often-hostile officials to agree to an official dialogue about their concerns.

This by itself is a step forward for human rights. We must strive for a 21st century where the horrors of the 20th, like Auschwitz or the mass exterminations that took place in Cambodia, will not be repeated. In the emergent new world, a new morality has to be codified in the right to preventive intervention against human rights abuses carried out by national governments.

BOT Governor Sees Economic Resurgence

BK0704025593 Bangkok BANGKOK POST in English 7 Apr 93 pp 19, 30

[By Peter Maitri Ungphakon and Amphawan Buranaphonchai]

[Text] Along with Finance Minister Tharin Nimmanhemin and the Chuan Likphai Government, the Bank of Thailand [BOT] has been the target of considerable public criticism over the handling of stock market scandals.

The attention that has been paid to the stock market together with the slump in share prices and trading volume has created an atmosphere of gloom about the economy as a whole.

But the embattled central bank governor, Wichit Supinit, is keen to show that a whole list of indicators suggest a resurgence of growth in the real economy, contrasting sharply with the pessimism on the stock market.

"People say the economy is in recession, that it's worse than last year. It's our duty to report what is actually happening," he says.

He blames the pessimism on two factors: the bearish stock market since November 16, when action was first taken against Song Watcharasirot; and the slump in the property market which, he says, in some sectors is more serious in scale and severity than on the stock exchange.

Recovery on the property market will take longer because of the current excess capacity, he says. "The Bank of Thailand has been warning people about this for two or three years now."

Elsewhere, he argues, the economic prospects are looking brighter. The bank's indexes of manufacturing production and investment, together with the growth rates of imports, government revenue and commercial bank lending all seem to show the same pattern.

The private investment index touched the bottom of the central bank's "low activity" range in the third quarter of last year. Since then, all five statistics have shown an upturn.

"It's difficult to find anything that's sliding," Mr Wichit says.

Some independent analysts argue that the central bank could be jumping the gun. The figures for the last quarter of last year are still estimates that could turn out to be over-statements, they say.

Awaited with particular interest are the figures for imports which are an indication of the strength of investment. Some economists warn that the true figures might be lower than the estimates, meaning that the apparent recovery might not be as strong as the graphs currently suggest.

The implications of this debate reach beyond simple questions about numbers. The starkly divergent views about what is happening in the economy that emerged at the end of last year still remain. These different views lead to conflicting prescriptions about what the Government should do.

Siam Commercial Bank president Olan Chaiprawat and his economists still see no recovery in investment and, therefore, no need to be concerned about savings falling short of investment. If anything, the Government should stimulate investment and should not be too concerned about over-heating or rising debt, Dr Olan says.

At the other end of the spectrum, Dr Chalongphop Susangkan, chief macroeconomist at the Thailand Development Research Institute, is still predicting stronger investment, leading to a rise in imports of machinery and raw materials and a deficit in the current account—the trade balance in goods and services.

Dr Chalongphop warns that this could lead to the risk of dangerous levels of foreign borrowing to finance the deficit, and he is worried about a saving shortfall.

The confirmation or rejection of the central bank's estimates of imports and investment in the last quarter of 1992 will, therefore, be the first indication of whether investment is still weak—as Dr Olan claims—or whether Dr Olan is too pessimistic on investment—as both Dr Chalongphop and the Bank of Thailand argue.

The governor defends the estimates. He says the import figures are based on preliminary accounts from the Customs Department and are accurate for most of the month. When the final figures emerge only minor adjustments will need to be made, he says.

He sums up the position as he sees it:

—Manufacturing started to recover in the middle of last year and the manufacturing index for January and February of this year is 9.7 percent higher than a year ago.

—Private investment growth, as measured by the bank's index, bottomed out in the third quarter of last year and was in any case above the lows of the mid-1980s.

—Imports in February this year were 31 percent higher than those in the same month last year, while the average for the 12 months ending in February was 12 percent higher than the average for the previous 12 months.

"The trend is clear," Mr Wichit says.

There has been a sharp increase in imports since August and although some of this is cars, other consumer durables and luxury goods, 75 percent is still machinery and raw materials—indicating investment strength.

Mr Wichit attributes part of the recovery in imports to companies at last starting to restock. In late 1991 just before value-added tax [VAT] was introduced, they ran down their stocks so that new merchandise could benefit from the tax deductions of VAT that was introduced on January 1, 1992.

He says stocks remained low since then until the middle of last year when companies started to restock "because there's a lot of pent-up demand".

With exports rising at 10 percent or more per year, production capacity has to be replenished every five years, he goes on. This in itself would be enough to boost imports and investment, even without any government infrastructure projects.

—Bank lending has shown steady growth of about 20 percent per year. That means more than 100 percent in four years. "You can't say banks have been growing too slowly."

Bank credit now exceeds deposits by 7 percent-8 percent and private investment capital is still coming into the country, 34 billion baht in January and 13.5 billion baht in February. Mr Wichit predicts that the combined public and private sector inflow for the year will be 200 billion baht "for sure".

What is more, with the stock and real estate markets in their current depressed states, little of this is locked up in speculative activities. That confirms, Mr Wichit asserts, that the investment is productive; some of it is for restocking, some for expanding production capacity to supply export markets.

Finally, government revenue is rising, indicating a resurgence of economic and business activity. Mr Wichit acknowledges that this is partly because of more effective VAT collection and partly because of such items as higher bank profits leading to higher corporate income tax payments. But he insists that these are of minor significance in the overall increase.

For all of these reasons, the Bank of Thailand is forecasting export growth of 15 percent this year, compared to 16 percent last year, and private sector investment growth of 5.4 percent-5.5 percent compared to only 1 percent last year. These would contribute to overall economic growth of about 7.8 percent.

These forecasts, Mr Wichit adds, are supported by the International Monetary Fund, which is normally more conservative but is actually forecasting 8 percent growth for Thailand this year.

The IMF is more pessimistic than the central bank on one key point, however. It is forecasting a goods and services trade deficit of 7.7 percent of gross domestic product, the total value of goods and services produced in Thailand, for this year. The central bank's forecast is a slightly less worrying 6.8 percent of GDP, still considerably more than the Siam Commercial Bank's 1.1 percent.

In that light, one of the central bank's tasks is to increase savings. Mr Wichit stresses that the amount of money Thais save as a proportion of their earnings is not low. But savings lag behind because investment is rising rapidly, he says.

The Government has asked the Bank of Thailand to recalculate how much saving is needed. The original calculation was about seven trillion baht for both the private and public sectors under the seventh five-year development plan that ends in 1996.

Savings for the period were originally calculated at almost six trillion baht. That would mean a savings shortage of about 1.1-1.2 trillion baht.

But since then new projects have been added to the Government's plans such as the Hopewell elevated road and railway, telephones, power water, four-lane highways and double-track railways. They will cost "many hundreds of millions", Mr Wichit says.

The bank's plans for mobilising savings are not new. They involve strengthening traditional methods of savings through institutions, new methods through new debt instruments, and include such objectives as improving the distribution of income which Mr Wichit says will eventually lead to the kind of savings surplus seen in Singapore.

The biggest potential is through "contractual savings"—installment savings plans, provident funds and other schemes.

A package of tax incentives to encourage savings is now completed and awaits Finance Ministry approval, Mr Wichit says. He recommends it should be launched with a "big bang".

Related to the savings shortfall is a rapid slowdown in bank deposits growth as commercial banks have turned to lower-interest foreign borrowing instead of concentrating on expanding deposits as their main source in raising new funds.

The central bank forecast growth of 17 percent-18 percent and would like to see 18 percent-19 percent for stability. In January deposits were 22 percent higher than 12 months previously. Only one month later the growth rate slumped to only 14 percent. "That's a very steep decline."

The Bank of Thailand would like to see commercial banks reduce the spread between lending and deposit rates which last year was more than double the figure for the previous year.

Mr Wichit is also keen to remind the banks that for their long term security they will have to continue to depend on deposits.

He denies, however, that the problem arises because interest rates are not floating freely despite recent liberalisation. Previously the market tended towards a single rate but now there is greater variety with the banks split into more groups, he says.

Spreads and profit margins are no longer the same throughout the sector and the beginnings of competition can be seen, he says.

He also praises the commercial banks for responding to central bank urgings. "The banking system is very responsive. They may complain a bit but they are very responsive."

The next step for the central bank in its attempt to influence interest rates would be to try to devise a guiding standard interest rate such as a "Bangkok interbank rate" (BIBOR) or something similar to the Bundesbank's Lombard rate.

"What is the big problem?" The fact that the short term money market has only just started developing in Thailand, he says.

This "should not take long", he asserts. But how long is not long? He hesitates: four or five years, one decade.

Liberalisation in the banking sector will mean adjustments: ranging from sharing of capital through mergers and other means, combining staff and even selling branches.

The possibility that banks could buy and sell their branches is a new development and the central bank is starting to plan how this could come about. The only similar precedent was when Krung Thai Bank took over the former Asia Trust Bank and its branches.

The other prong of financial sector liberalisation concerns finance companies and it requires similar, and possibly more far-reaching, adjustments.

Mr Wichit foresees greater security among finance companies once the new capital adequacy rules drafted by the Bank for International Settlements (BIS) are adopted. The original launch date of April 1 for finance companies has been postponed until July 1.

The banks fell into line by the end of February after the new BIS rules were introduced at the New Year. Therefore, finance companies should also be able to conform with BIS capital adequacy rules within two months, Mr Wichit says.

He also sees little difficulty in raising the ratio of capital to risk assets from the initial 7 percent to the international BIS standard of 8 percent next year. Finance companies in general are already at 9 percent, the only companies below 7 percent are those involved in the April 4, 1984 rescue.

But although this will make a repeat of the First City Investment problems more difficult, it cannot totally prevent outright doctoring of accounts, he says.

The proposed split of finance companies from securities companies would on the surface appear to help the Bank of Thailand concentrate on the security of the financial system and leave the stock market to the Securities and Exchange Commission. In fact, because the central bank governor is a member of the SEC, the dilemma of how best to serve the interests of both depositors and share investors will remain.

And that means the governor of the Bank of Thailand could remain under fire if new scandals erupt.

But Mr Wichit has also been criticised for being too political, for example through his contacts with the "Ban Phitsanulok" advisers of former Prime Minister Chatchai Chunhawan, or of agreeing to appear on television to warn of economic damage during last year's May uprisings against the Suchinda Khraprayun government.

Mr Wichit does not want to comment on these. "Don't open old wounds," he says.

But his supporters argue that the job of the central bank governor is bound to be political, that in most cases the central bank comes under the umbrella of the Finance Ministry. Therefore a close relationship with the Finance Minister is considered essential.

Similarly, policies that could prove controversial need political backing his supporters say. Mr Wichit needed to work closely with former minister Wiraphong Ramangkun on the "biggest interest rate adjustment in history", and with former minister Phanat Simasathian and former National Peace-Keeping Council secretary Gen Itsaraphong Nunphakdi for the second wave of foreign exchange liberalisation, they say.

And Mr Wichit's own punchline is that despite one or two problems, the Thai financial system remains strong. Others, from Indonesia to Australia in the development spectrum, have entire systems under threat. Not Thailand, he says.

	1992 Actual	1993 Projections	
		Bank of Thailand	IMF
Growth Rates (Annual Percent Change)			
GDP	7.5	7.8	8.0
Exports of goods and services	14.3	13.0	12.9
Imports of goods and services	10.4	14.0	17.0
Investment-Saving (Percent of GDP)			
Investment	36.7	37.5	37.5
Private	27.6	27.8	27.8
Public	9.1	9.7	9.7
Saving	31.8	32.0	31.2
Private	21.2	21.8	21.8
Public	10.6	10.2	9.4
Current account deficit	6.4	6.8	7.7

Vietnam

U.S. MIA Specialists Attend Joint Session

BK0704151693 Hanoi VNA in English 1438 GMT 7 Apr 93

[Text] Hanoi VNA April 7—Vietnamese and US specialists in the search for Americans missing in action (MIA) in the Vietnam war met here on April 5-6 in regular session. The two sides reviewed the implementation of the 22nd joint search including the investigation of 11 priority cases and 44 adjacent cases, 7 excavations and three surveys. Some reports on 'live sighting' were also checked and dismissed as groundless. The US side highly appreciated Vietnam's cooperation and noted that this joint search had achieved the best result so far. The two sides agreed to conduct the 23rd joint search in some provinces in central Vietnam from April 22-25 and discussed a number of technical measures to increase the result of their work. Lieutenant-general Thomas Needham, commander of the search force for MIA's under the US Pacific Command, and head of the US specialists team was received on April 6 by Prime Minister Vo Van Kiet. On behalf of the US Government he thanked the Vietnamese Government and people for their ever better cooperation and assistance in the settlement of the question of Americans missing in action. For his part, Prime Minister Vo Van Kiet reaffirmed that the Vietnamese Government and people would continue cooperating in the humanitarian spirit with the US side to settle this question the sooner the better.

The US specialists' delegation left Hanoi for home today.

UN General Secretary To Visit 'Shortly'

BK0704152093 Hanoi VNA in English 1438 GMT 7 Apr 93

[Text] Hanoi VNA 7 Apr—General Secretary of the United Nations Dr. Butrus Butrus-Ghali will visit Vietnam shortly as guest of the Vietnamese Government, the Foreign Ministry announces today .

Relief Groups Nearly 'Overwhelmed' by Refugees

BK0804053893 Hong Kong AFP in English 0459 GMT 8 Apr 93

[Text] Hanoi, April 8 (AFP)—Vietnamese authorities are preparing for the arrival of as many as 100,000 ethnic Vietnamese refugees fleeing ethnic cleansing in Cambodia, informed sources said Thursday. The flow is already "very quickly" nearing the point where Vietnamese relief organizations will be overwhelmed without international assistance, the sources added. Hanoi broke its official silence on the issue this week with an appeal to non-governmental organizations (NGOs) to aid the refugees, who began fleeing Cambodia following a March 10 Khmer Rouge massacre of ethnic Vietnamese fishing families.

Hanoi officials were still declining to say, however, how many refugees have already arrived and how many more they expect. The issue is extremely sensitive for Hanoi, which said before the exodus that around 100,000 ethnic Vietnamese live in Cambodia—as many as are expected to be leaving now. Independent estimates put the number of ethnic Vietnamese in Cambodia at anywhere from 200,000 to 500,000, however. Little credence is given to the Khmer Rouge claim that more than two million Vietnamese live in Cambodia.

U.N. officials in Phnom Penh reported Tuesday that 7,000 ethnic Vietnamese had crossed the border by boat down the Bassac (Hau) and Mekong (Tien) rivers, and that the number was growing by 2,000 to 3,000 daily. There are indications that the number arriving by road is even higher, however.

'Extremely Sensitive' Issue

BK0804065693 Hong Kong AFP in English 0629 GMT 8 Apr 93

[By Andrew Sherry]

[Excerpts] Hanoi, April 8 (AFP)—Vietnamese authorities are preparing for the arrival of as many as 100,000 ethnic Vietnamese refugees from Cambodia, informed sources said Thursday. [passage omitted] Vietnamese officials were still refusing to say how many refugees had arrived and how many more they expect. They also appear determined to administer the aid themselves, rather than allowing NGOs to visit the border. The refugee issue is extremely sensitive for Hanoi, which said before the exodus that around 100,000 Vietnamese lived in Cambodia. [passage omitted] There are indications that the number of refugees entering Vietnam has already topped 20,000, and may be significantly higher.

U.N. officials in Phnom Penh reported Tuesday that 7,000 ethnic Vietnamese had crossed the border by boat into southern Vietnam's Mekong Delta, and that the number was growing by 2,000 to 3,000 daily. Even more appear to be crossing by road. Some 10,000 people had arrived by road in the border province of An Giang by last weekend, compared with 2,000 by boat, informed sources said.

Both the Bassac (Hau) and main Mekong (Tien) rivers flow into Vietnam at An Giang, making it the main entry point for refugees arriving by boat. But there are several road crossings along the 500-kilometer (300-mile) Cambodian-Vietnamese border.

Foreign journalists have not been authorized to visit the border, but informed sources said Vietnamese authorities are planning to set up several "reception centers" for the refugees. Most of those who arrive by road are Vietnamese nationals who have been working in Cambodia for a few years and still have homes or family in Vietnam, the sources said.

They pose little problem for authorities, who are ushering them quickly through customs and sending them off to their home provinces. But despite Vietnam's desire to avoid creating refugee camps along the border, these may be necessary to handle the "boat people"—primarily fishing families, many of whom have lived in Cambodia for generations.

Many of these refugees have Cambodian identity cards from the Vietnamese-installed Phnom Penh government, which means accepting them back as Vietnamese would pose political problems, analysts said. Others have no documentation at all, which poses security problems in the border region, where Khmer Rouge attacks triggered Vietnam's 1978 invasion of Cambodia.

For the moment, several hundred boats carrying these families are tying up along riverbanks just inside Vietnam, a source said. The Vietnamese Red Cross is providing basic first aid and food, but its resources will soon be overwhelmed with out international aid, he said. On Wednesday, NGOs here received a letter from the Vietnamese People's Aid Coordination Committee urging them to condemn the Khmer Rouge massacres and "render immediate assistance to the refugees." The refugee flow is shaping up to be the third major exodus of ethnic Vietnamese from Cambodia since 1970, when U.S.-backed Cambodian leader Lon Nol unleashed pogroms that left bodies floating down the Mekong to Vietnam.

An estimated 150,000 more ethnic Vietnamese fled Cambodia after the Khmer Rouge took power in 1975. So far, Vietnam's official position has been to call on the United Nations and Cambodian parties to protect ethnic Vietnamese in Cambodia. The questions of the Khmer Rouge "ethnic cleansing" campaign as well as the handling of the refugees are certain to be discussed when U.N. Secretary General Butrus Butrus-Ghali visits Vietnam on Sunday, coming from Cambodia.

Phone System, Microwave Link Become Operational

BK0704061093 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 5 Apr 93

[Text] Binh Dinh Province has organized a ceremony to inaugurate and put into operation a 4,000-number telephone switchboard and a digital microwave communications link between Qui Nhon and Vinh Son. The first project required a $450,000 investment. As for the digital microwave communications link between Qui Nhon and Vinh Son alone, it required a combined investment of $138,000 and 780 million dong. The second project is expected to meet telephone, telegraphic, and fax demands as well as other information needs in support of the operation of the Vinh Son Hydroelectric Power Plant.

The information capacity of Binh Dinh Province has increased by four times compared with the period before the installation of this 4,000-number telephone switchboard and digital microwave communications link.

The postal service in Binh Dinh Province is making preparations to install another telephone switchboard comprising 50,000-100,000 numbers to be completed in 1995 to meet local socioeconomic development needs.

Thailand, Hong Kong Announce Phone Cable System

BK0804080593 Hanoi VNA in English 0652 GMT 8 Apr 93

[Text] Hanoi VNA April 8—The Communications Authority of Thailand (CAT), the directorate general of Posts and Telecommunications of Vietnam (DGPT), Hong Kong Telecom International (HKTI) and OTC International of Australia (OTCI) announce they have signed a memoradam of understanding to plan a new optical fibre submarine cable system to connect between Thailand, Vietnam and Hong Kong.

The cable will operate at 560 MBPS and will provide capacity to support growing communications in the region, they say. T-V-H will also link to other cable systems giving direct connections to the rest of the world.

The cable is planned for service at the end of 1995, with landing points at Vung Tau in Vietnam, Sri Racha in Thailand and deepwater bay in Hong Kong. At a recent meeting in Sydney, initial parties agreed to present the cable system to other international carriers later in the year.

Singapore Signs Telecommunications Accord

BK0804085793 Hanoi Voice of Vietnam in English 1000 GMT 7 Apr 93

[Text] Singapore and Vietnam signed an agreement on telecommunications on Tuesday—the first to promote communications cooperation between the two countries. According to the agreement, Vietnamese telecommunications workers will be sent to Singapore for training.

Australia

Foreign Minister Comments on Cambodian Violence

BK0604110693 Melbourne Radio Australia in English 0803 GMT 6 Apr 93

[From the "International Report" program]

[Text] In New York, the United Nations Security Council has strongly condemned attacks against UN peacekeeping forces in Cambodia and calls for the warring factions to guarantee the safety of UN personnel in the area. The council also has asked Secretary General Butrus Butrus-Ghali to report to it urgently on the circumstances of the killing of four UN peacekeepers. Australian Foreign Minister Gareth Evans, who is in New York, has discussed the issue with Dr. Butrus-Ghali and he told our New York correspondent Matt Peacock that the murders were very disturbing.

[Begin recording] [Evans] Whether this means that we are seeing the beginnings of a more substantial and concerted Khmer Rouge assault on the whole electoral process, or whether this is an (?offensively) isolated local incident, it is an object here. If it's the latter, then it's the current situation which however tragic we have to contemplate adhering to—well, at least to some scale—during the period of the peace plan. If it's the former then we are about to witness some concerted and systematic assault on UNTAC [UN Transitional Authority in Cambodia]. Well, obviously, we know the peace process is in for a very difficult time indeed but it's premature to make judgments about that at this stage.

[Peacock] The Japanese head of the mission there said there's an unacceptable level of violence. Is there anything that can be done about controlling it or do you have to be [word indistinct]?

[Evans] Well, of course, the violence involved in this is totally unacceptable, outrageous, and indefensible. Question is what we can do about it. The mandate for the UN operation does not extend to retaliatory military action at this stage or indeed any other kind of action than on-the-spot self-defense.

[Peacock] Shoot it.

[Evans] Well, that's an issue that the UN is going to have to address. If this continues we will always acknowledge that there would be a possibility of sporadic isolated incidents of the kind that have now occurred right across the spectrum—action against the Vietnamese, action by the various political parties against each other, and violation by the Khmer Rouge directly against UNTAC. So far, it's remained on a small and (?totally) isolated scale and I don't think there is any question of reconsidering mandates or anything else so long as that situation prevails. Obviously, the whole situation is very delicately poised at the moment. As a result of this we have just got to wait and see how things turn up.

[Peacock] It's hardly a neutral election environment, is it?

[Evans] Well, I suspect it is about as neutral as one is ever going to be able to achieve in Cambodia. There is no such thing as perfection when one is engaged in these kind of peacekeeping operations and one has to constantly ask what the alternatives were and what the alternatives are now. I think one can be reasonably confident that if the situation does not further deteriorate then elections will be held in an environment which, as the special representative of the party had said, will be reasonably fair and free. I don't think anybody pretends it will be absolutely fair and free or that the kind of neutrality and (?confidence) with the political environment as what we might have ideally desired [will exist]. But, certainly in the present circumstances one can imagine getting a reading from the electorate which reasonably reflects the overall rule and intentions of the electorate, and I think that's as much as one can reasonably ask. [end recording]

Unemployment Rate Falls Slightly in March

BK0804070293 Melbourne Radio Australia in English 0500 GMT 8 Apr 93

[Text] Australia's unemployment rate fell slightly in March. Figures release by the Bureau of Statistics show that seasonally adjusted, the percent of unemployed fell by 0.2 of a percent to 10.9 percent. The actual number of people unemployed fell to less than 1 million. More importantly, the trend estimates that people in full time work continue to increase.

Evans Optimistic About Future of GATT Round

BK0804070893 Melbourne Radio Australia in English 0500 GMT 8 Apr 93

[Text] Australia's foreign minister, Senator Gareth Evans, says he is optimistic about the future of world trade talks after two days of meetings in Washington with senior Clinton administration officials. Senator Evans told a news conference he found that the American and Australian Governments shared a vision of the 15-nation Asia and Pacific Economic Cooperation Organization. He added that the leaders of the group's members including Canada, Japan, South Korea, the United States, and Australia were likely to hold a summit soon.

On the stalled Uruguay Round of world trade talks under the General Agreement on Tariffs and Trade, Senator Evans said he was encouraged to find that the United States was committed to finding a way to end the deadlock.

Canberra Concerned Over PNG Border Raids

BK0804070193 Melbourne Radio Australia in English 0500 GMT 8 Apr 93

[Text] Australia has expressed grave concern about increasing tension between Papua New Guinea [PNG] and Solomon Islands after a number of reported incursions by PNG troops into Solomon Islands territory this week. Australia's new minister for Pacific island affairs, Gordon

Bilney, says the border incidents are of considerable concern to Australia. Mr. Bilney says Australia has already asked PNG to respect international boundaries.

He has, however, rejected suggestions that Australia is partly responsible for the upsurge in the conflict between PNG and Solomon Islands. Australia has increasingly been blamed for the border problems because of its multimillion-dollar defense aid to PNG.

Solomon Islands Prime Minister Solomon Mamaloni earlier this week called on Australia to do more to press PNG to control its troops.

Fiji

1987 Coup Planners Criticize Premier Rabuka

BK0704102493 Hong Kong AFP in English 0524 GMT 7 Apr 93

[Text] Suva, April 7 (AFP)—Fiji's militant Taukei Movement, widely known here to have planned the 1987 coups, demanded Wednesday that Prime Minister Sitiveni Rabuka step down "if he can't deliver the goods." Taukei Movement spokesman Josaia Diani told state-owned Radio Fiji this week Fijians were fed up with Rabuka's contradictory and unpredictable remarks. The destiny of the Fijian people was at stake and there should be a change in leadership, Diani said. "This is because the prime minister has been concentrating his efforts on uplifting and safe-guarding the interests of Indians when he has been given the mandate to work towards Fijian interests and aspirations," said Diani.

It was first time the Taukei Movement, of which Rabuka has publicly declared he is still a member, has criticised his leadership, threatening a head-on collision with its one-time idol. The movement said there is a wealth of talent and experience in the Soqosoqo ni Vakavulewa ni Taukei (SVT), which translates as Fijian Political Party, from which to choose a new prime minister. Rabuka is president of the SVT, which is backed by the Great Council of Fijian Chiefs. It had always previously been pro-Rabuka and pro-government. Rabuka, who returned to Fiji Sunday night after a successful week-long official visit to New Zealand, could not be reached for comment Wednesday.

Rabuka joined the Taukei Movement after the Indian dominated Labour-National Federation Party Coalition led by Fijian Timoci Bavadra won the 1987 general election, crushing the Fijian-dominated Alliance Party.

Some former Ministers of the Alliance Government belonged to the Taukei Movement, but withdrew from active participation following the first Rabuka-led military coup in May 1987. When asked about the Taukei Movement at a news conference following his surprise.

Rabuka has been criticised publicly by two members of his parliamentary caucus for inviting the Indian-dominated opposition in November to join his government to form a government of national unity. They said such a government defeated the purpose of the coup, which was aimed at delivering control of Fiji to the indigenous Fijians. The most recent criticism came from Minister of Finance in the Interim Government, Josevata Kamikamica, who was beaten in the bid for SVT prime ministership by Rabuka following last June's first general elections after the 1987 coups.

In the meantime, Rabuka has said that he will announce a reshuffled Cabinet when the new session of parliament sits on June 23. "There are too many considerations to take into account when you are looking at a cabinet reshuffle, particularly the way the government is now structured and the composition of those in parliament" Rabuka said in a television interview.

It will be Rabuka's first cabinet reshuffle since he formed a government after the general election under the new Fiji constitution in June last year.

Solomon Islands

Government Accuses PNG of Threatening Sovereignty

BK0704074493 Melbourne Radio Australia in English 0500 GMT 7 Apr 93

[Text] Solomon Islands Government has accused Papua New Guinea [PNG] of threatening Solomon Islands' sovereignty. The accusations follows remarks about Solomon Islands in the PNG parliament. PNG Housing Minister John Jaminan earlier told the PNG parliament that Solomon Islands should become a province of PNG as it was small and unable to improve its economy.

Solomon Islands Provincial Minister Allan Qurusu has criticized Mr. Jaminan's remarks saying Solomon Islands remains a sovereign nation no matter how big or small it is. Mr. Qurusu called on PNG to refrain from further remarks about Solomon Islands.

International Help Requested

BK0704091493 Melbourne Radio Australia in English 0800 GMT 7 Apr 93

[Text] Solomon Islands has appealed for international assistance in trying to convince Papua New Guinea [PNG] to stop its troops from crossing into Solomon Islands territory. Solomon Islands Prime Minister Solomon Mamaloni made the call during an urgently called meeting of all heads of diplomatic missions in the capital, Honiara, today. PNG's High Commissioner (Frank Miro) also attended the meeting.

Diplomatic sources at the meeting say Prime Minister Mamaloni briefed diplomats on the raid into Solomon Islands territory on Monday by PNG forces. The Solomon Islands Government is yet to indicate what action it will take following the cross-border raid.